

## **Business Practice**

### **Large Generator Interconnection Procedures (LGIP)**

#### **Optional Modified Interconnection Study Process**

Note: Unless otherwise defined below, capitalized terms contained in this business practice have the meaning set forth in the LGIP.

##### **Overview**

If requested by an Interconnection Customer to support the In-Service Date for its Generating Facility, TVA will modify the process for conducting the Interconnection System Impact Study (SIS) under Section 7 and Interconnection Facilities Study (FS) under Section 8 of the LGIP as provided below.

Under the standard LGIP process, the SIS is to be completed and the SIS results delivered to the Interconnection Customer before TVA begins any FS activities associated with the Interconnection Customer's Interconnection Request. Under this modified interconnection study process, the Interconnection Customer may elect for TVA to accelerate the Interconnection Studies for TVA's Interconnection Facilities (i.e., direct assignment facilities). In such case, TVA will provide the Interconnection Customer with a summary of TVA Interconnection Facilities that must be installed in order to establish the Point of Interconnection. These facilities will be evaluated through the FS process while TVA initiates the SIS to evaluate the impact of the proposed interconnection on the reliability of the TVA Transmission System. (This is referred to as the Modified Study Option.)

##### **Modified Study Option**

The Modified Study Option applies to only the SIS process and is not available in conjunction with the optional Interconnection Feasibility Study process. Following the Scoping Meeting provided for in Section 3.2.4 of the LGIP, the Interconnection Customer will notify TVA if it elects to utilize the Modified Study Option.

If the Interconnection Customer elects the Modified Study Option, TVA will provide to the Interconnection Customer a summary of the TVA Interconnection Facilities that TVA in its sole discretion determines, based on the information TVA knows at that time, to be necessary to establish the Point of Interconnection. In electing the Modified Study Option, the Interconnection Customer recognizes that this summary of facilities may be incomplete and that additional necessary Interconnection Facilities may be identified in the SIS.

If the Interconnection Customer elects the Modified Study Option, TVA will deliver to the Interconnection Customer (1) an Interconnection System Impact Study Agreement to evaluate the impact of the proposed interconnection to the TVA Transmission System

and (2) an Interconnection Facilities Study Agreement to specify and estimate the cost of the work needed to install the TVA Interconnection Facilities identified by TVA (Limited FS Agreement).

TVA will include in both agreements a good faith estimate of the cost to perform the SIS and FS for the TVA Interconnection Facilities identified by TVA. The Interconnection Customer will submit with its execution of each agreement an upfront payment associated with each agreement to TVA equal to TVA's good faith estimates.

#### Completion of SIS

Upon completion of the SIS, TVA will provide a report to the Interconnection Customer with the SIS results including a summary of all necessary Network Upgrades and any additional facilities (including additional Interconnection Facilities identified by the SIS) required to be installed by TVA to accomplish the interconnection.

TVA will also deliver to the Interconnection Customer an additional Interconnection Facilities Study Agreement to specify and estimate the cost of the work needed to install the Network Upgrades and any additional facilities specified in the SIS. TVA will provide a good-faith estimate of the cost to perform the FS for these facilities. The Interconnection Customer will submit with its execution of the Interconnection Facilities Study Agreement an upfront payment equal to the amount of the good faith estimate.

#### Completion of Limited FS

Upon completion of the Limited FS, TVA will provide a report to the Interconnection Customer summarizing the estimated cost of the identified Interconnection Facilities and an estimate of the time required to complete the construction and installation of those facilities.

#### Engineering & Procurement (E&P) Agreement

Upon completion of the Limited FS (regardless of the completion of the SIS), the Interconnection Customer may in accordance with Section 9 of the LGIP request an E&P Agreement to authorize TVA to begin engineering and procurement of long lead-time items associated with the Interconnection Facilities identified in the Limited FS.

#### Interconnection Customer Risks

If the Interconnection Customer exercises the Modified Study Option, TVA will provide to the Interconnection Customer a summary of the TVA Interconnection Facilities that TVA, in its sole discretion and in accordance with Good Utility Practice, determines to be necessary to establish the Point of Interconnection. However, in electing the Modified Study Option, the Interconnection Customer recognizes that this summary of facilities may be incomplete and that additional Interconnection Facilities may be identified in the SIS. The Interconnection Customer also recognizes that a duplication of TVA work activities may result from the Modified Study Option. In that regard, the Interconnection

Customer assumes all risks and costs, including responsibility for all additional costs incurred by TVA, associated with its exercise of the Modified Study Option.

In the event the Interconnection Customer withdraws its Interconnection Request, the Interconnection Customer is responsible for any and all costs incurred by TVA in performing all studies (i.e. SIS, FS, and Limited FS) and any work associated with an E&P Agreement through the date of such withdrawal (including any costs incurred by TVA after withdrawal of the Interconnection Request that are necessary to halt any studies or E&P activities, cancel pending orders, and return materials and equipment to vendors).

#### Interconnection Service

Except as provided in this business practice, TVA will process the Interconnection Customer's Interconnection Request in accordance with the LGIP. TVA will provide Interconnection Service only upon completion of all required studies and the execution of an Interconnection Agreement.

#### Effective Date

This business practice is effective as of May 7, 2015.

Interconnection Requests that were entered into TVA's interconnection queue prior to this date and that have already executed an Interconnection System Impact Study Agreement, but have not received SIS results may elect to utilize the Modified Study Option.

Interconnection Requests that were entered into TVA's interconnection queue prior to this date and that have not yet executed an Interconnection System Impact Study Agreement, may elect to utilize the Modified Study Option as stated in this practice.

#### Contact

Please contact Jason Adams at [jladams1@tva.gov](mailto:jladams1@tva.gov) if you would like more information on this process.