

DG Interconnection Approval Process



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—SWEEP

SOUTHWEST ENERGY EFFICIENCY PROJECT

**Saving money and
protecting the
environment
by advancing energy
efficiency
in the utility, buildings,
industrial, and
transportation sectors**



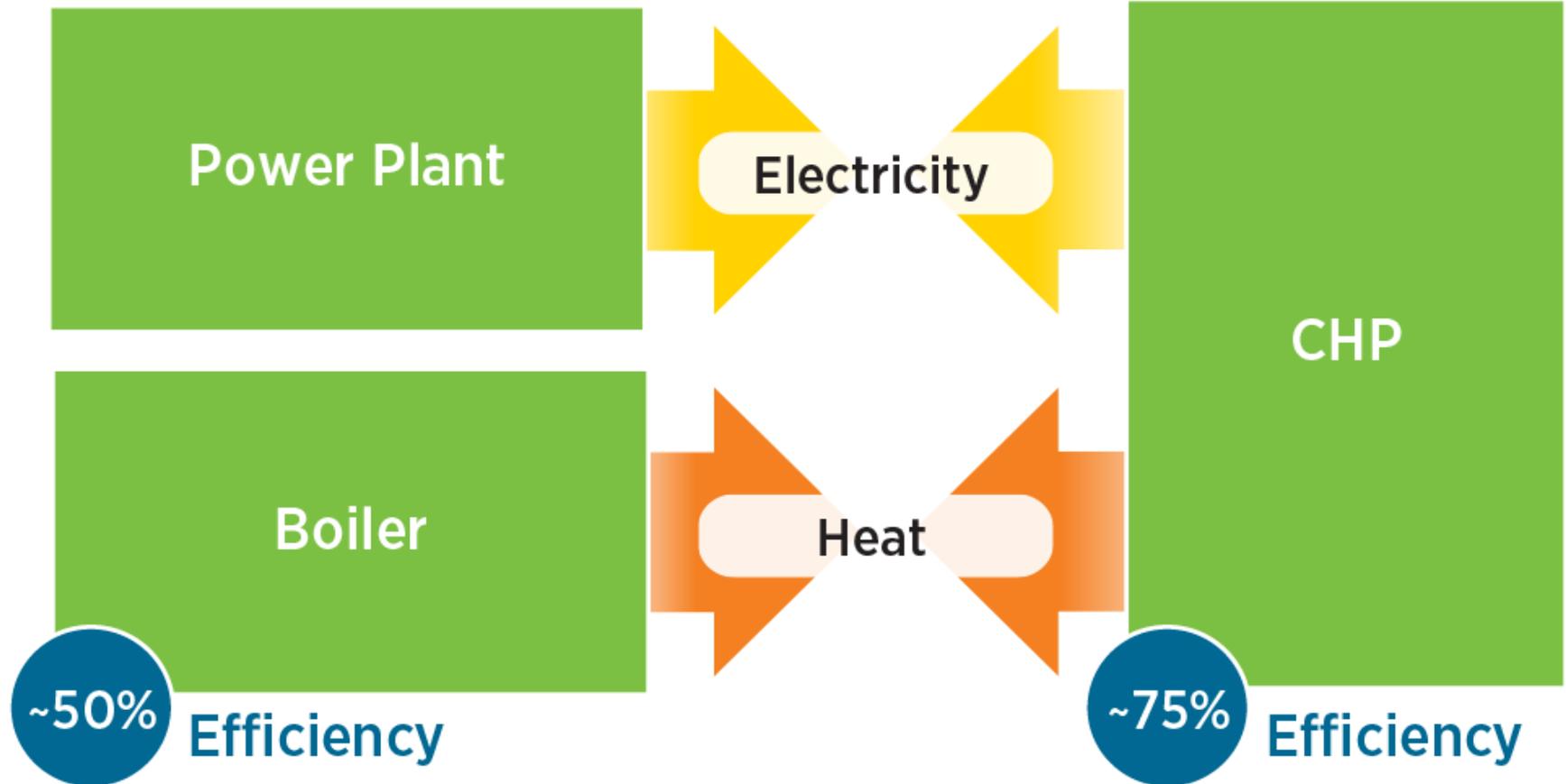
Overview

- ❑ Benefits of CHP
- ❑ Need for interconnection standards
- ❑ Screening requirements and supplemental review;
- ❑ Pre-application reports;
- ❑ Updates to the standards

CHP Saves Energy

Traditional System

CHP System



CHP Benefits

For customers:

- ❑ Energy cost savings
- ❑ Improved reliability
- ❑ Reduced carbon footprint

For utilities:

- ❑ Reduce grid constraints during system peaks
- ❑ Achieve energy efficiency resource standard goals
- ❑ Achieve Clean Power Plan goals

Importance of Interconnection Standards

- ❑ 35 out of 50 states have interconnection standards
- ❑ AZ has a strong market for solar and CHP and needs a state-wide standard
- ❑ The draft rules are a good start but need to be updated based on best practices from other states

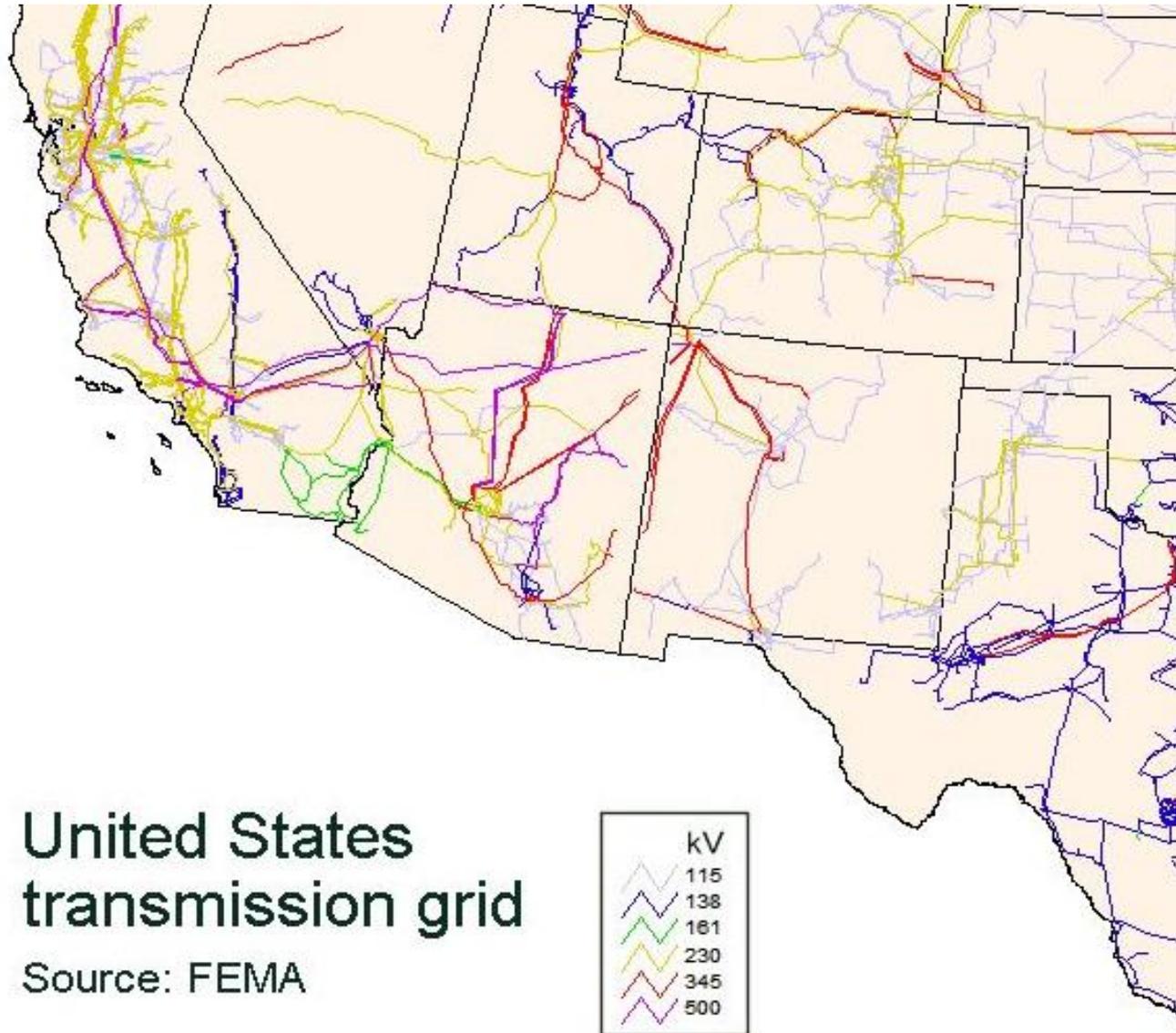
Screening Requirements

- ❑ Fast Track Eligibility and Screening tests should follow IREC 2013 Model Interconnection Procedures
- ❑ Supplemental Review process should be clarified

Pre-Application Reports

- **What it is:** Description of system conditions at proposed point of interconnection
- **Why it's helpful:**
 - For the applicant: learn about system conditions at proposed point of interconnection before submitting a full application
 - For the utility: reduce volume of full applications

Pre-application - Maps



Updates to the Standards



- Standards may require periodic updates - with Commission approval
- Technical Working Group – meet quarterly or as needed to discuss technical issues, proposed updates