

Resolution Regarding Interconnection Standards for Small-Scale Generating Facilities

WHEREAS, Advances in smaller-scale generation options have played a significant role in the move to restructure electricity markets; *and*

WHEREAS, Access to the electric supply market by small-scale distributed resources can offer public benefits by mitigating market power, furthering innovation, easing transmission and distribution constraints, increasing resource diversity, and expanding customer choice; *and*

WHEREAS, Certain small-scale generating units, such as co-generating units, micro-turbines, and fuel cells, have reduced air emissions and have achieved high efficiencies; *and*

WHEREAS, Certain of these resources use renewable fuels, the promotion of which has been an important national goal under past utility regulatory policy, including the Public Utility Regulatory Policies Act of 1978 and the Energy Policy Act of 1992; *and*

WHEREAS, Utility-specific interconnection rules currently constitute a significant barrier to the effective use of small-scale, distributed generating units, raising costs for customers, marketers and developers, and increasing the costs, administrative burdens, and market entry barriers to interconnect these resources; *and*

WHEREAS, There are a number of important interconnection issues related to safety and reliability that could be developed into uniform standards; *now, therefore, be it*

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 1998 Summer Committee Meetings in Seattle, Washington, finds that greater consistency in the terms and conditions of interconnection of small-scale generating units lowers market entry barriers and allows the industry and the public to realize the benefits from the effective use of small-scale facilities; *and be it further*

RESOLVED, That the NARUC urges State commissions to remove any unnecessary barriers to interconnection of small-scale generating units; *and be it further*

RESOLVED, That the NARUC supports further exploration of issues relating to the interconnection of small-scale generators and to the regulation of distribution systems that affect market entry of distributed small-scale generation.

*Sponsored by the Committees on Energy Resources and Electricity
Adopted July 1998*