

Implementation Plan

Project 2020-05 Modifications to FAC-001-3 and FAC-002-3

Applicable Standards

- FAC-001-4 Facility Interconnection Requirements
- FAC-002-4 Facility Interconnection Studies

Requested Retirements

- FAC-001-3 Facility Interconnection Requirements
- FAC-002-3 Facility Interconnection Studies

Prerequisite Standard

None

Applicable Entities for FAC-001-4

- Transmission Owner;
- Applicable Generation Owner;
- Generator Owner with a fully executed Agreement to conduct a study on the reliability impact of interconnecting a third party Facility to the Generator Owner's existing Facility that is used to interconnect to the Transmission system.

Applicable Entities for FAC-002-4

- Planning Coordinator;
- Transmission Planner;
- Transmission Owner
- Distribution Provider;
- Generation Owner;
- Applicable Generation Owner;
- Generator Owner with a fully executed Agreement to conduct a study on the reliability impact of interconnecting a third party Facility to the Generator Owner's existing Facility that is used to interconnect to the Transmission system.

Terms in the NERC Glossary of Terms

There are no new, modified, or retired terms.

Background

Proposed Reliability Standards FAC-001-4 and FAC-002-4 revise Reliability Standards FAC-001-3 and FAC-002-3 to provide clarity and specificity regarding which changes to existing Facility interconnections require study under the standards.

Currently effective Reliability Standards FAC-001-3 and FAC-002-3 require coordination and cooperation between a Facility owner and the Transmission Planner or Planning Coordinator when a new or materially modified interconnection Facility is connected to their system. These standards imply that the term “materially modified” should be used to distinguish between facility changes that are required to be studied and those that need not be studied; however, neither standard specifies what entity is responsible for determining what is considered to be a material modification. Further, the existing language is unclear about whether these requirements only apply when a different entity is proposing to interconnect to a Facility owner's Facility or if they also apply to the Facility owner's new or modified Facility. Additionally, in FERC-jurisdictional areas, the term “Material Modification” means “those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.”¹ This has led to widespread confusion across the industry regarding the correct application of these terms related to the FERC Open Access Transmission Tariff (OATT) implementation and the NERC Reliability Standards requirements.

Proposed Reliability Standards FAC-001-4 and FAC-002-4 address these issues by clarifying that the changes to existing Facilities that will need to be studied under the standards are those meeting the definition of “qualified change” developed by the Planning Coordinator under new Requirement R6 of proposed FAC-002-4.

Effective Date and Phased-In Compliance Dates

The effective date for the proposed Reliability Standards FAC-001-4 and FAC-002-4 are provided below. Where the standard drafting team identified the need for a longer implementation period for compliance with a particular section of a proposed Reliability Standard (i.e., an entire Requirement or a portion thereof), the additional time for compliance with that section is specified below. The phased-in compliance date for those particular sections represents the date that entities must begin to comply with that particular section of the Reliability Standard, even where the Reliability Standard goes into effect at an earlier date.

Standards FAC-001-4 and FAC-002-4

Where approval by an applicable governmental authority is required, the standards shall become effective on the first day of the first calendar quarter that is twelve (12) months after the effective date of the applicable governmental authority's order approving the standards, or as otherwise provided for by the applicable governmental authority.

¹ [LGI-agreement.pdf \(ferc.gov\)](#)

Where approval by an applicable governmental authority is not required, the standards shall become effective on the first day of the first calendar quarter that is twelve (12) months after the date the standards are adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction.

Compliance Date for FAC-001-4 Requirements R3 and R4 and FAC-002-4 Requirement R1, R2, R3 and R4

To the extent a change is considered a “qualified change” under the definition developed by the Planning Coordinator under Reliability Standard FAC-002-4 Requirement R6 but was not considered a “material modification” under FAC-001-3 or FAC-002-3, the entity shall not be required to comply with Reliability Standard FAC-001-4 Requirement R3 and R4 or Reliability Standard FAC-002-4 Requirements R1, R2, R3 and R4 until 12 months after the effective date of the standards.

Retirement Date

Reliability Standards FAC-001-3 and FAC-002-3 shall be retired immediately prior to the effective date of FAC-001-4 and FAC-002-4 in the particular jurisdiction in which the revised standard is becoming effective.