

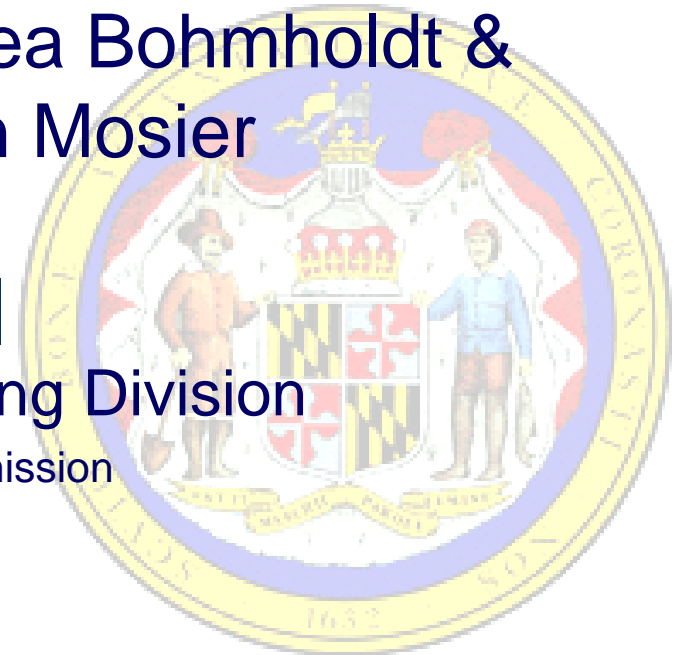
Certificate of Public Convenience and Necessity (CPCN) Exemptions

Andrea Bohmholdt &
Kevin Mosier

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Integrated Resource Planning Division

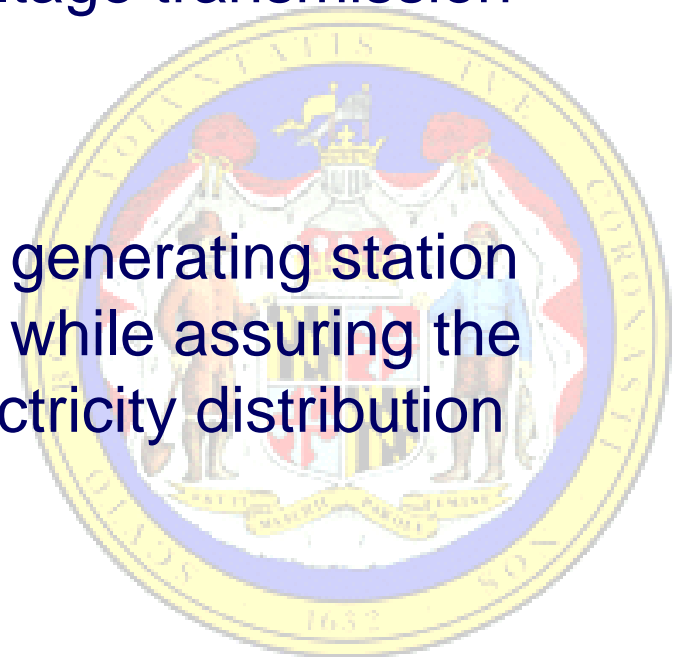
Maryland Public Service Commission

www.psc.state.md.us



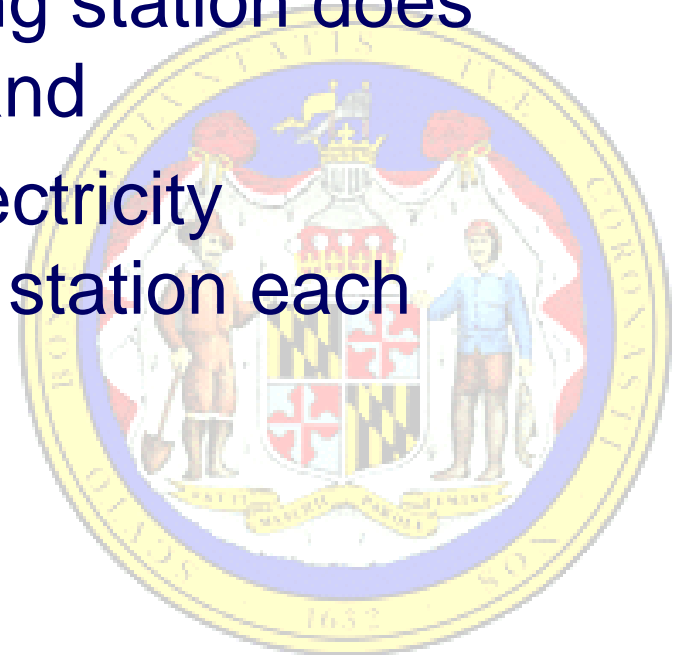
Certificate of Public Convenience and Necessity

- CPCN:
 - provides authorization to construct or modify new generating stations or high-voltage transmission lines.
- CPCN Exemption:
 - allows an owner of a qualified generating station to bypass the CPCN process, while assuring the safety and reliability of the electricity distribution system.



CPCN Exemption Eligibility (1)

- The generating station produces on-site generated electricity;
- the capacity of the generating station does not exceed 70 megawatts; and
- at least 80 percent of the electricity generated at the generating station each year is consumed on-site.



CPCN Exemption Eligibility (2)

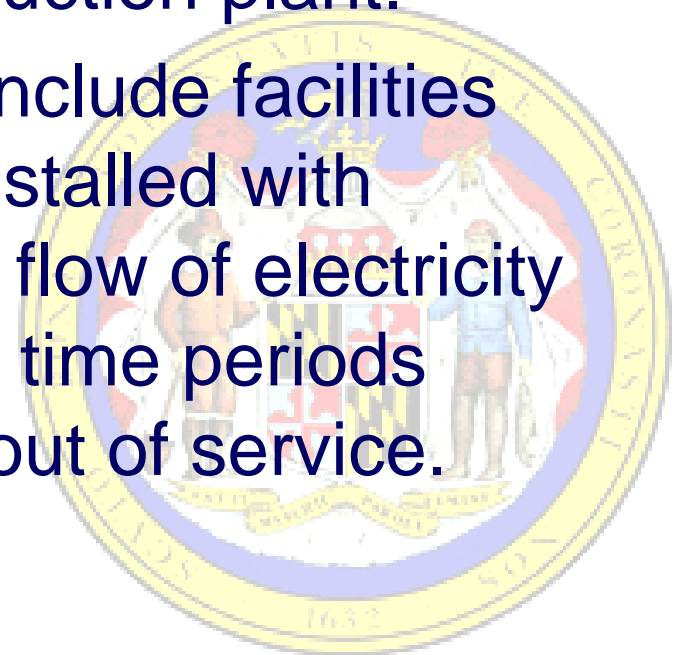
- The capacity of the generating station does not exceed 25 megawatts; and
- at least 10 percent of the electricity generated at the generating station each year is consumed on-site.





CPCN Exemption Definition for Applicable Generation Facility

- An integral plant or unit used for the production of electric energy, including additions to an existing production plant.
- CPCN exemption does not include facilities under 373 kilowatts, if it is installed with equipment that prevents the flow of electricity to the electric system during time periods when the electric system is out of service.



Generating Stations

- Four Types of generating stations:
 - Type I
 - Type II
 - Type III
 - Type IV
- Only Type III exports power for sale.
- Types I, II and IV require equipment to either prevents or limits the export of power.

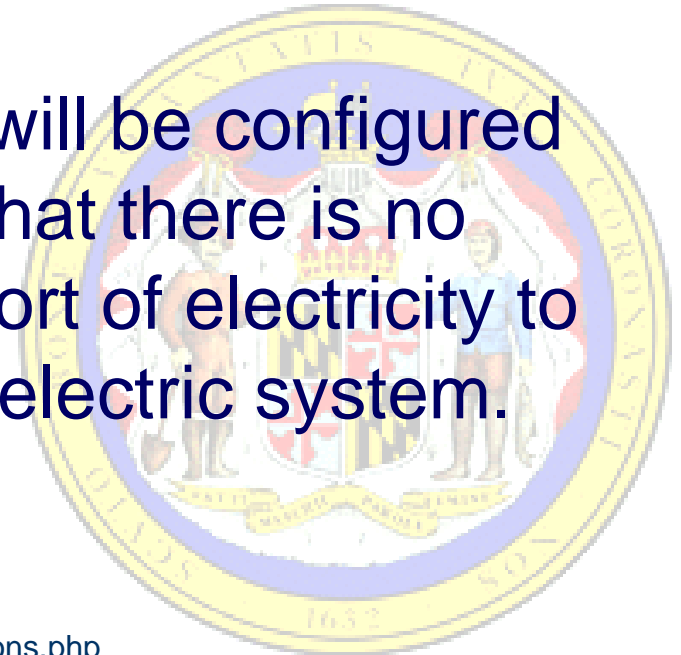


Type I Generator

- (1) will not be synchronized with the local electric company's transmission and distribution system; and



- (2) will be configured so that there is no export of electricity to the electric system.



Source: Metro Electric & Generator

Available: <http://www.metroelectricgenerator.com/residential-applications.php>

Type II Generator

- (1) will be synchronized with the electric system; and

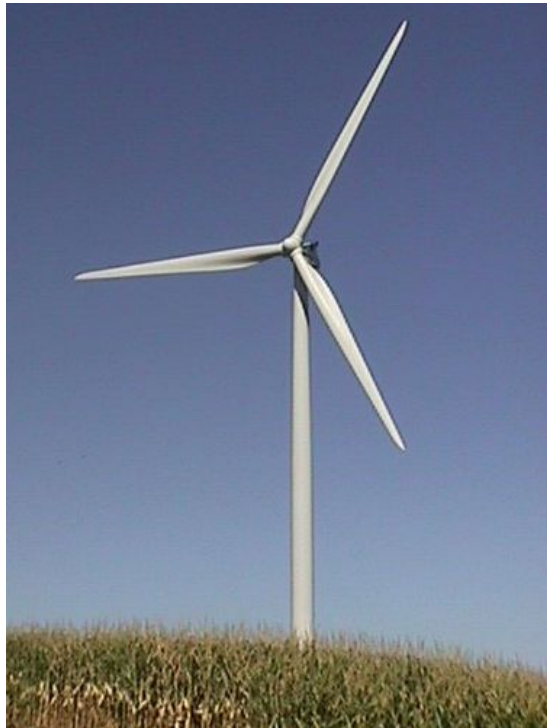


- (2) must install protection equipment that is designed to prevent exporting electricity to the electric system.

Source: GoPower

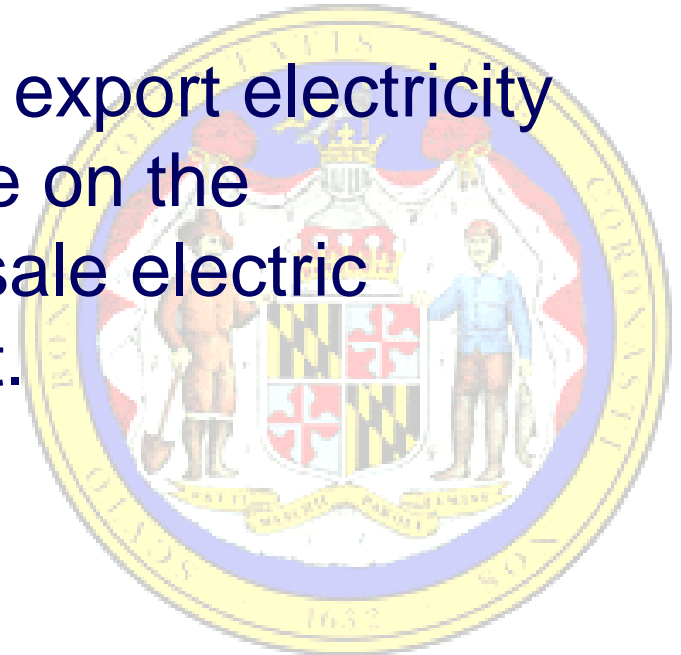
Available: <http://www.gopower.com/products/1960//1000-kW-Cummins-Powered-Generator-Set>

Type III Generator



- (1) will be synchronized with the electric system; and
- (2) will export electricity for sale on the wholesale electric market.

Credit: Pat Corkery, Source: NREL
Available: http://www.nrel.gov/features/20090821_turbines.html



Type IV Generator

- (1) will be synchronized with the electric system; and



- (2) will utilize the “cease to energize” function of a UL 1741 listed inverter to prevent export of power to the area electric system in the event of a fault on the interconnected utility’s grid.

Source: Harvard University
Available: http://www.uos.harvard.edu/sustainability/46_blackstone.shtml

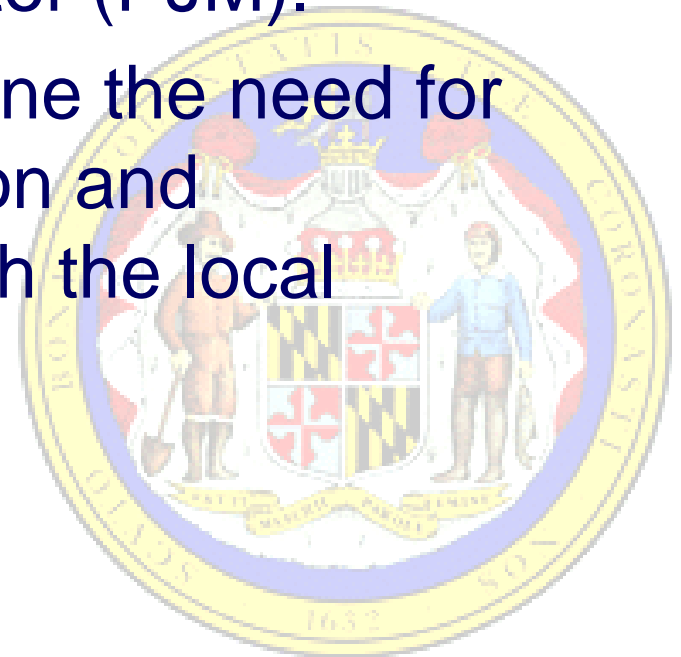
Wind Energy Generating Stations

- Must be land-based;
- capacity cannot exceed 70 megawatts;
- the electricity is sold only on the wholesale market pursuant to an interconnection, operation, and maintenance agreement with the local electric company; and
- the Commission provides an opportunity for public comment at a public hearing.



Additional Obligations

- Type III generators are required to obtain a wholesale sales agreement with the Independent System Operator (PJM).
- All Generators must determine the need for an Interconnection, Operation and Maintenance Agreement with the local distribution company.



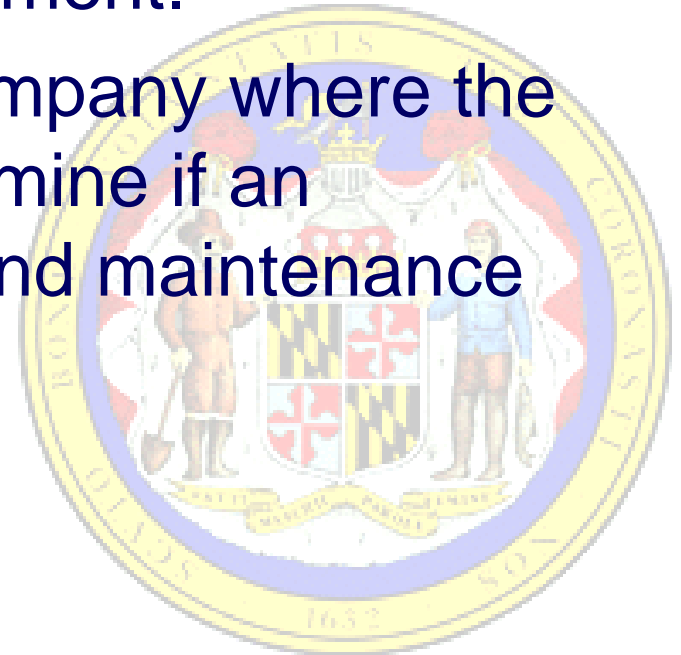
Interconnection, Operation and Maintenance Agreement

- Type I generators do not need an agreement. Will require a letter from the local electric company stating that an agreement is not necessary.
- Type II, III and IV generators are required to have an agreement with the local electric company before application approval.



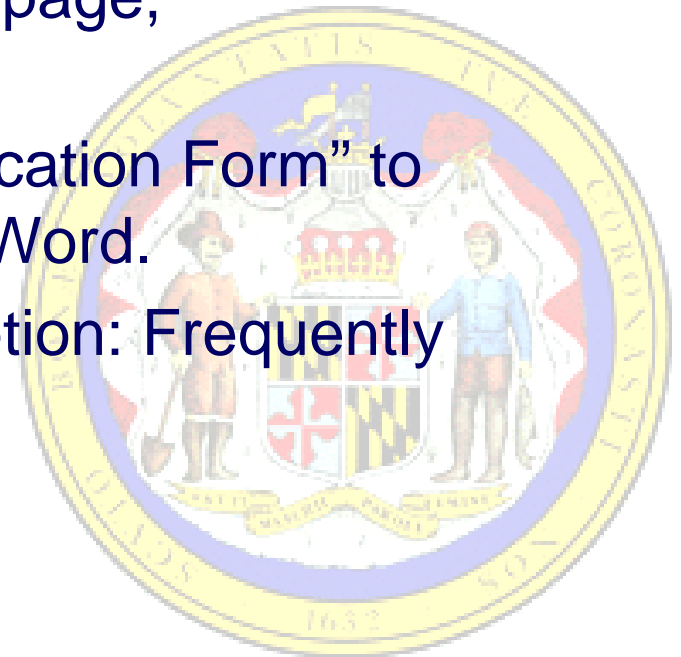
CPCN Exemption Pre - Application Process

- If an interconnection involves an electric transmission system, the safety and reliability review requires PJM involvement.
- Contact the local electric company where the unit will be installed to determine if an interconnection, operation and maintenance agreement is necessary.



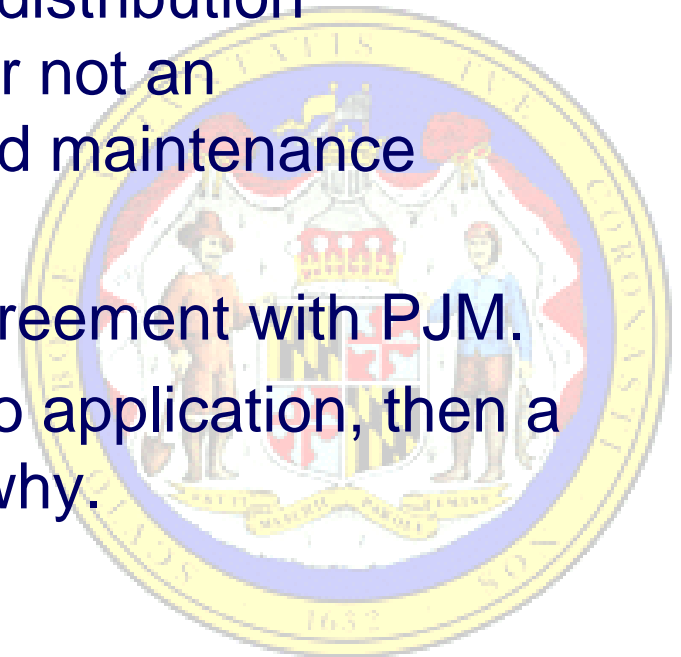
CPCN Exemption Application Form

- Accessing the application form:
 - PSC website: <http://www.psc.state.md.us/>
 - Submenu on left side of homepage, open “Electric”.
 - Click “CPCN Exemption Application Form” to open application in Microsoft Word.
 - Also available: “CPCN Exemption: Frequently Asked Questions”



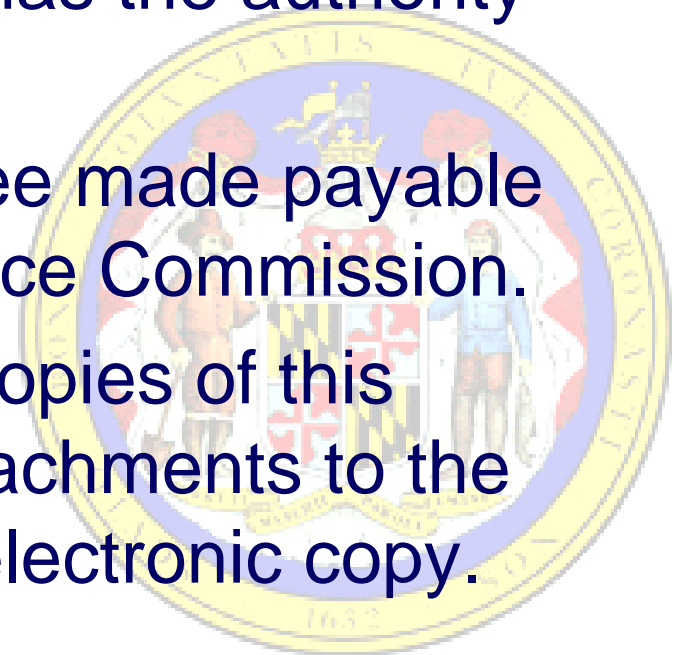
CPCN Exemption Application

- Required documents:
 - Current application form from PSC website.
 - A letter from the local electric distribution company indicating whether or not an interconnection, operation, and maintenance agreement is necessary.
 - If Type III, wholesale sales agreement with PJM.
 - If generator(s) installed prior to application, then a brief statement that explains why.



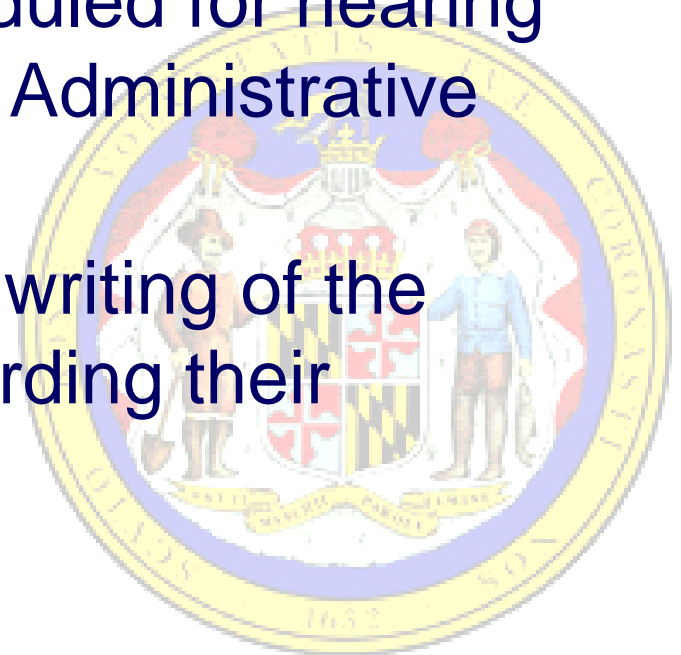
CPCN Exemption Application

- The Application must be signed by legal counsel for the Applicant, an officer of the Applicant, or a person who has the authority to legally bind the Applicant.
- A check for the \$500 filing fee made payable to the Maryland Public Service Commission.
- Submit the original and 14 copies of this Application and required attachments to the Commission along with an electronic copy.



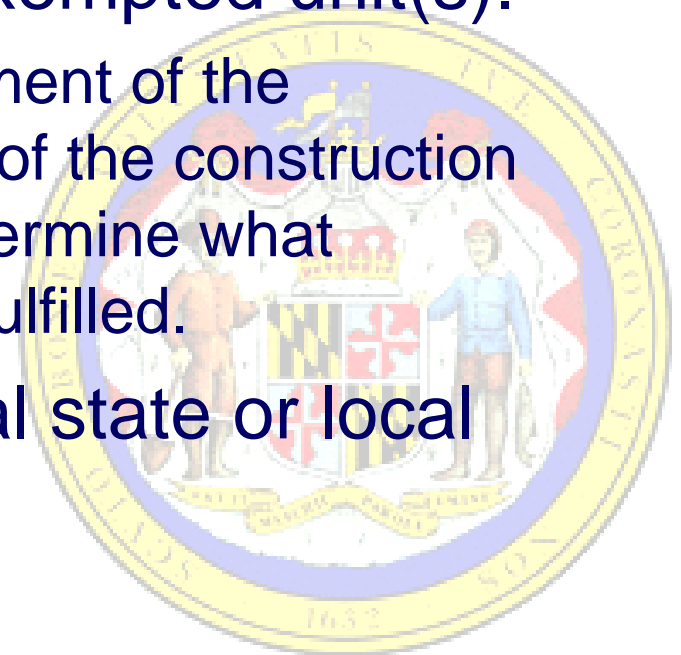
Application Process

- Upon receipt, the Commission will assign the application to be evaluated by technical staff.
- The application will be scheduled for hearing at the Commission's weekly Administrative Meeting.
- Applicants will be notified in writing of the Commission's decision regarding their application.



Other Permits

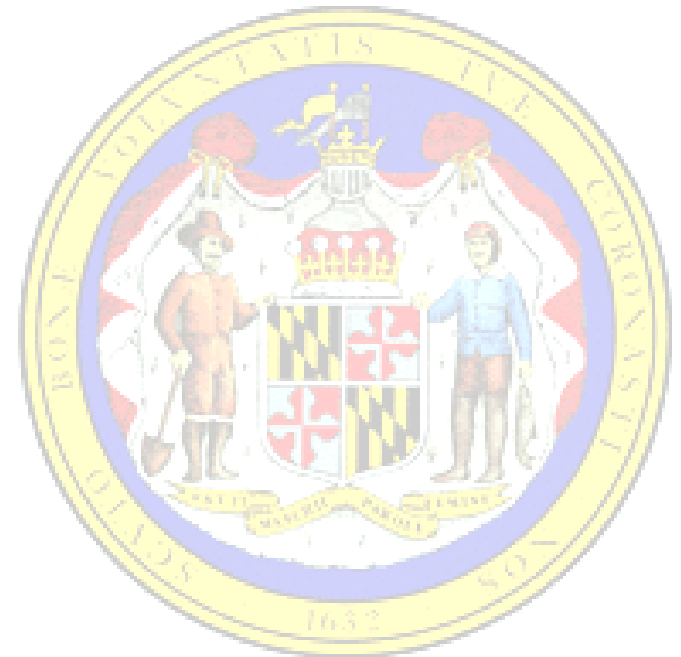
- CPCN Exemption should be included in the application to obtain an air quality permit to construct and operate the exempted unit(s).
 - Contact the Maryland Department of the Environment prior to the start of the construction of the exempted unit(s) to determine what requirements will need to be fulfilled.
- There may also be additional state or local regulatory requirements.





PSC Agenda

- Resource for CSPs to recruit DG units into the demand response program
- www.psc.state.md.us



Questions?



Andrea Bohmholdt

abohmholdt@psc.state.md.us

410-767-8130

Kevin Mosier

kmosier@psc.state.md.us

410-767-8926

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