Supplemental Notice of Utility Tariff Filing

On April 19, 2016, The REGULATORY COMMISSION OF ALASKA (Commission) issued a public notice for TA284-13, Golden Valley Electric Association, Inc.'s (GVEA) proposed methodology for the development and calculation of the rates for purchases from Qualifying Facilities (QF) with a design capacity of greater than 100 kW. On June 6, 2016, GVEA filed revised tariff sheets substantially adding to its initial proposal and the Commission determined supplemental notice would be appropriate.

In addition to its initial proposal, GVEA now proposes adding language stating that proposed Schedule No. QF-2 does not supersede the Federal Energy Regulatory Commission (FERC) or Commission regulations concerning Public Utilities Regulatory Policies Act (PURPA) obligations regarding the purchase, sale, integration and interconnection obligations with QFs. A QF may elect to sell energy and capacity under this schedule or alternatively file a written request with the Association in accordance with 3 AAC 50.790(a) or tender an offer to the Association that is a legally enforceable obligation.

GVEA also proposes revising its eligibility standards to clarify that, in order to receive service under Schedule No. QF-2, a QF must have evidence of either self-certification to, or formal certification by, FERC as a QF, only if the QF has greater than 1 MW nameplate capacity.

With the revised tariff sheets, GVEA proposes new language governing interconnection standards for QFs. The proposed language requires all generators, including QFs, to enter into a Generation Interconnection Agreement with GVEA. GVEA proposes that the interconnection requirements shall be developed on a case-by-case, site-specific basis for each QF. GVEA states that its interconnection specifications, A Technical Guide for Operating, Metering, Monitoring, and Protective Relaying of Non-Utility Power Producers and Co-Generators, provide the minimum acceptable requirements for a safe and effective operation of customer-owned generation interconnection with the GVEA's power system. GVEA proposes to assess reasonable interconnection charges for connection, switching, metering, transmission, distribution, safety provisions, administration and other costs directly incurred as a result of the interconnection, to the extent these costs are in excess of the corresponding costs which GVEA would have incurred if it had not engaged in interconnection operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of energy or capacity from other sources. GVEA further proposes that interconnection charges may not include any costs included in the calculation of avoided cost rates or integration fees or payments. GVEA proposes that it shall offer a QF the option of reimbursing GVEA for interconnection charges over a reasonable period of time. GVEA states that payment terms shall consist of: (a) a down payment not to exceed 25 percent of the estimated costs to be paid prior to commencement of construction; (b) equal monthly payments starting the first of the month following presentation of the billing for total costs; plus (c) monthly interest charges. GVEA proposes that the interest rate charge will be the average rate of interest earned by GVEA on its general funds for the month preceding the date of the initial billing for total actual costs. GVEA states that terms and conditions for the financing of interconnection costs, including any security for assuring GVEA will recover the full amount of its advance shall be evaluated on an individual project basis. GVEA proposes that, if it and the QF are unable to reach an agreement, the issue may be brought by either party to the Commission for adjudication.
Finally, with the revised tariff sheets, GVEA proposes new language governing integration. With the proposed language, GVEA states that it will provide integration services necessary to integrate non-utility generation from a QF into GVEA’s electric transmission and/or distribution system. GVEA proposes to identify the costs of integrating the QF into GVEA’s electric system and any benefits derived from the integration of the QF into GVEA’s electric system. GVEA proposes to charge integration fees to the QF if the identified costs of integration exceed the quantified benefits of integration. GVEA proposes making integration payments to the QF if the quantified benefits of integration exceed the identified costs of integration. GVEA proposes that the costs used to determine the integration fees or integration payments will be those necessary for maintaining the safety, integrity, and reliability of GVEA’s system under accepted industry standards in accordance with 3 AAC 50.765 (b) and (c). GVEA proposes that it will allocate the costs of integration among multiple QFs and other facilities in a fair and reasonable manner should GVEA be required to support the integration of more than one QF or other facility.

This notice does not contain all requested revisions and the Commission may approve a rate or classification that varies from those proposed. You may obtain more information about this filing by contacting Monica Grassi, Regulatory Specialist at GVEA, at P. O. Box 71249, Fairbanks, AK 99707; phone: (907) 458-5788. The complete filing is also available for inspection at the Commission’s office at 701 West 8th Avenue, Suite 300, Anchorage, AK 99501; phone: (907) 276-6222, or may be viewed at the Commission’s website at http://rca.alaska.gov by typing “TA284-13” in the Find a Matter search box.

To comment on this filing, please file your comments by 5:00 p.m., June 24, 2016, at the Commission address given above or via our website at:

https://rca.alaska.gov/RCAWeb/WhatsNew/PublicNoticesComments.aspx

Please reference TA284-13 and include a statement that you’ve filed a copy of the comments with GVEA at its address given above or by email at mgrassi@gvea.com. Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Joyce McGowan at (907) 276-6222, toll-free at 1-800-390-2782, TTY (907) 276-4533 or send a request via electronic mail to rca.mail@alaska.gov by June 17, 2016.

DATED at Anchorage, Alaska, this 6th day of June, 2016.

REGULATORY COMMISSION OF ALASKA

Robert M. Pickett
Chairman