

1 **Q:** (Reference May 3, 2019 report by Brattle Group, Inc entitled *Embedded and*
2 *Marginal Cost of Service Review*) **In a competitive electricity market, if a new**
3 **generator or a new load connects to the transmission network, who is normally**
4 **responsible for the costs of the transmission facilities to connect the new**
5 **generator or new load to the transmission network? Is it fair to assign such**
6 **costs to all customers when the facilities benefit only a few?**

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8 **A.** Interconnections are dealt with in ISO/RTOs rules. Interconnections costs are borne
9 by the generation resources or loads requesting the interconnection. In addition,
10 those parties requesting interconnection also are responsible for modifications to
11 the transmission system should their interconnection affect the transmission
12 system's transfer capabilities. FERC Order 1000 permits the socialization of some
13 transmission system expansion costs to accommodate intermittent resources which
14 are typically at substantial distances from load.

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16 Fairness is an oft-debated philosophical issue, but commissions have generally
17 begun any determination of fairness through cost of service studies which aim at
18 assigning costs to the parties that have caused them to be incurred.