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**UTC Power**

A United Technologies Company

Judith Ann Bayer  
Director  
Government Business Development

February 1, 2005

Secretary James McNulty  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105

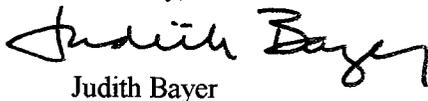
RE: Advance Notice of Proposed Rulemaking Regarding Small Generation Interconnection Standards and Procedures; Doc. No. L00040168

Dear Secretary McNulty:

UTC Power submits herewith an original and fifteen (15) copies of its Written Comments on the Pennsylvania Public Utility Commission Advance Notice of Proposed Rulemaking concerning small generator interconnection standards and procedures published in the Pennsylvania Bulletin on December 3, 2004.

UTC Power appreciates the opportunity to convey its views to the Commission.

Sincerely,

  
Judith Bayer

February 1, 2005

Secretary James McNulty  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

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**Re: Comments on Small Generation Interconnection Advance Notice of Proposed Rulemaking: Doc. No. L00040168**

Dear Secretary McNulty:

UTC Power submits these brief comments in response to the Pennsylvania Public Utility Commission (PUC or Commission) Advance Notice of Proposed Rulemaking (ANOPR) concerning small generator interconnection standards and procedures.

UTC Power is a business unit of United Technologies Corporation (UTC). UTC's other business units include Carrier, Chubb, Hamilton Sundstrand, Otis, Pratt & Whitney and Sikorsky. UTC Power is a world leading, single-source provider of clean power, cooling and heating solutions. UTC Power's on-site power solutions are comprised of fuel cells, microturbines, chillers, heat exchangers, and waste-heat-to-electricity equipment.

UTC Power concurs with the goals that the ANOPR suggests will be achieved by adoption of uniform interconnection protocols. Providing uniformly applied interconnection processes and cost certainty to customers investing in distributed resources is a critical first step toward capturing the benefits of small generation for the customer, the electric system and, in the case of clean distributed resources, the environment. UTC Power offers the following comments to assist the Commission in achieving its goals.

First, UTC Power suggests that some of the important characteristics of an interconnection protocol that will meet the objectives set forth in the ANOPR include:

1. Standardized technical requirements as well as processes and procedures (i.e., application forms, tariffs, agreements, and designation of a single point of contact at the utility);
2. Expedited and definitive interconnection approval processes for equipment that has been pre-certified to appropriate national codes and standards, such as IEEE 1547 and/or UL 1741;
3. The highest degree of cost certainty identified at the earliest possible point following the request for interconnection;
4. In the context of interconnection protocols, the requirement that utilities offer net metering (discussed further below);
5. Specific deadlines for various milestones in the interconnection process;
6. A two-megawatt threshold that provides super-expedited procedures for equipment certified to national codes and standards, such as IEEE 1547 or UL 1741;
7. Provision for network and radial connections; and
8. Standard dispute resolution processes that protect the interconnecting customer from unbounded delay and costs in the event of a dispute.

compelling technical evidence as to why it would have to be modified for a state and/or system-specific technical reason, the states could adopt it without material modification.

Finally, UTC Power offers comment on two interconnection-related issues. With respect to cost, any cost assignment resulting from the rule, such as costs for system upgrades to accommodate a specific interconnection, should reflect the overall system cost savings that the interconnecting customer will achieve as a result of the interconnection. In addition, in the ANOPR's recitation of interconnection procedures adopted in other states, there is reference to a requirement for New Jersey utilities to offer net metering. UTC Power supports the inclusion of net metering within the context of interconnection rules. However, net metering eligibility criteria should be technology neutral: eligibility should depend on the equipment's environmental profile and not be limited to specific types of technologies. Additionally, eligibility should be extended to a range of equipment sizes. Such a framework encourages investment in clean energy technologies, whether traditional or emerging.

UTC Power supports the Commission's focus on interconnection as a key element in advancing distributed generation and capturing its myriad benefits for customers, the electric system and the environment. If you have any questions regarding these comments, please contact me at 860-727-2310. Thank you.

Respectfully Submitted,

*Herbert C. Healy*

Herbert C. Healy  
UTC Power

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