Arizona Power that it is appropriate to modify the definition of qualifying facility to make it clear that Federal, state and local siting and environmental requirements apply to such transmission lines and interconnection facilities.

The final rule revises § 292.101(b)(1) accordingly.

6. Power Production Capacity

In the NOPR, the Commission proposed to add a new § 292.202(s), which would codify Commission precedent regarding the power production capacity of a QF. The Commission proposed to determine a QF's maximum net sendout based on the safe and reliable operation of the facility. The Commission also proposed to measure the QF's power production capacity at the point of delivery to the transmission system of the interconnected utility.⁵⁵

Comments: Commenters recommended that the Commission measure power production capacity at each point of interconnection with each purchaser,⁵⁶ or at the first point of interconnection with the transmitting utility.⁵⁷ The CPUC suggests that electric power output must be net of any parasitic loads.

Southern California Edison suggests that the Commission define power production capacity in terms of the expected operating conditions during the period when the purchasing utility most needs power, taking into account factors such as ambient temperature at the time of system peak load and the QF's power commitment.⁵⁸ Southern California Edison is also concerned that one could construe the proposed § 292.202(s) language to allow the owners and operators of QFs to choose to purchase power to meet a facility's auxiliary load requirements in order to

⁵⁶ Comments of American Cogen.

⁵⁷ Comments of Independent Energy Producers. ⁵⁸ According to Southern California Edison, its QF power purchase contracts specify the amount of electric power which it can rely on at the time of its maximum system peak demands. Southern California uses such contract capacity in its longterm system planning because the QF capacity amount reflects expected operating conditions rather than the most favorable operating conditions. artificially increase the amount of power sendout.

General Electric suggests case-specific treatment for cogeneration facilities that employ gasifiers.⁵⁹

On November 29, 1993, as supplemented on December 3, 1993, Granite State Hydropower Association (Granite State Hydropower), whose members own or operate approximately 40 small hydroelectric projects in New Hampshire, filed an "emergency" motion for clarification or to reopen this proceeding and rescind the proposal to codify decisions.60 Granite State Hydropower opposes codification of the Commission's decisions in Power Developers, Inc.,61 and Turners Falls Limited Partnership,62 at least insofar as it might apply to hydroelectric small power production facilities that are in operation when such codification might take effect.63 Granite State Hydropower requests that the Commission either rescind the proposed rule or clarify that it would apply such a change in eligibility requirements to future hydroelectric small power production facilities only.

Commission Response: The Commission notes that in two pending proceedings 64 issues have been raised concerning the policy set forth in Turners Falls. The Commission is reviewing those issues and will address them in those proceedings. The Commission is not prepared at this time to issue a final rule regarding the policy set forth in Turners Falls. The Commission may, in the future, codify its policy on this matter after it has had more experience with the issue. The Commission will not adopt the proposed definition of power production capacity at this time.

7. Increased Specificity of the Qualifying Facility Filing Requirements: Form 556

In the NOPR, the Commission proposed a standardized application form (Form 556) to facilitate successful

⁶¹ 32 FERC ¶ 61,101 (1985) (Power Developers).
⁶² 55 FERC ¶ 61,136 (1991) (Turners Falls).

⁶³ According to Granite State Hydropower, the New Hampshire Public Utility Commission (New Hampshire Commission) has interpreted the eligibility restrictions of Turners Falls to have, in effect, overruled the New Hampshire Commission's 1981 regulations implementing PURPA and certain of this Commission's Part 292 regulations.

⁶⁴ Carolina Power & Light Company, v. Stone Container Corp., Docket Nos. EL94–62–000 and QF85–102–005; Connecticut Valley Light & Power Company v. Wheelabrator Claremont Company, Docket Nos. EL94–10–000 and QF86–177–001. applications for Commission certification of qualifying status. The Commission intended that Form 556 would also make small power producers and cogenerators more aware of the QF standards that apply to their facilities; under the current regulations one must examine the history of related cases and the language of the pertinent regulations to be sure of the specific standards that apply to particular facilities. To make this effort less burdensome to applicants, Form 556 allows cogenerators and small power producers to report the specific characteristics of their facilities. The form also provides for the step-by-step application of pertinent regulations to their facilities. When accurately completed, Form 556 should readily reveal whether a facility substantially complies with the applicable criteria, and reduce the number of Staff inquiries for more information from applicants.

Comments: With respect to the general requirement for Form 556, SDG&E suggests changing the title of Form 556 to make it clear that it applies to proposed, as well as to existing facilities. American Cogen cautions that verifying the useful thermal output of proposed facilities (*item 14a*): (a) Will be an extremely cumbersome procedure; (b) will, of necessity, be based on approximations; and (c) may raise utility concerns, prompt premature interventions, and cause administrative difficulties.

Southern California Edison recommends that applicants include an updated Form 556 with each filing submitted under § 292.207(d)(2) in connection with a substantial modification to a facility. AGA urges the Commission to dispense with the detailed information requirements and request only the most basic technical information.65 American Forest and Paper maintains that identification of the utility that will purchase and/or wheel the facility's qualified power (item 3b) is unnecessary, since that information has nothing to do with qualifying status.

Arizona Public Service proposes that the QF specify the name of each affected utility customer, as well as the magnitude of its displaced load. SDG&E proposes that the applicant describe in writing the operation of the principal components of the facility, and that the applicant also address supplementary firing devices and incorporate a detailed

⁵⁵ Net output determines whether small power production facilities that are not eligible solar, wind, waste or geothermal facilities as defined by section 3(17)(E) of the FPA, conform to the 80 MW size limit of § 292.204(a) and whether their owners and operators are eligible for regulatory exemptions provided at §§ 292.601 and 292.602 of the Commission's regulations. See, *e.g.*, Malacha Power Project, Inc., 41 FERC ¶ 61,350 (1987); Massachusetts Refusetech, Incorporated, 25 FERC 61,406 (1983); Power Developers, Inc., 32 FERC ¶ 61,101 (1985), *rehearing denied*, 34 FERC ¶ 61,136 (1986); and Penntech Papers, Inc., 48 FERC ¶ 61,120 (1989).

⁵⁹ A gasification system converts coal, waste and other by-product materials to fuel gas, which may be burned in a power production facility. ⁶⁰ We shall treat their motion as a comment on

the NOPR.

⁶⁵ While the Commission notes that AGA's suggestion that the Commission change its policy and rely on minimal information is beyond the scope of this proceeding, its proposal would undercut the Commission's efforts to reduce the incidence of incomplete filings.