

Recommendation for Risk Framework

Technical Subgroup Recommendation

Proposal for Risk Framework

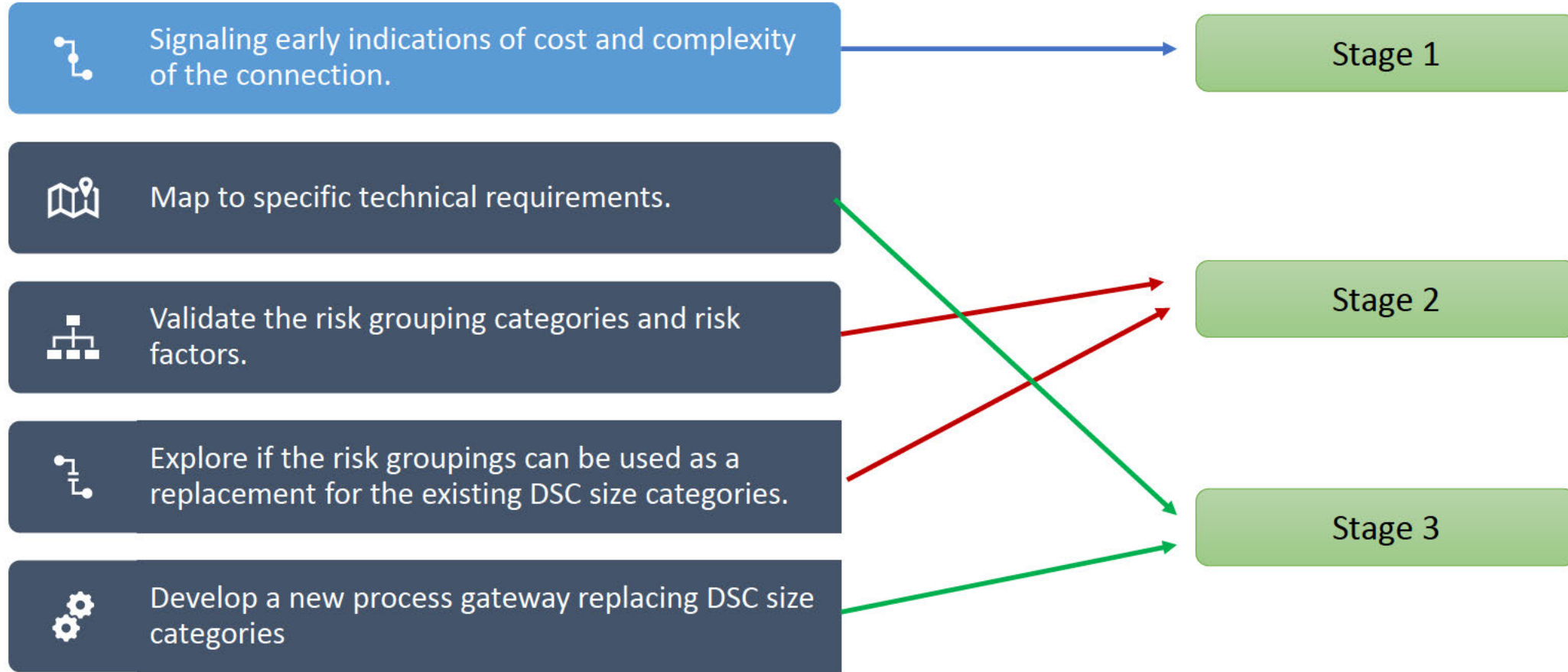
The Technical Subgroup recommends the following:

- The Working Group should support the continued development of the Risk Framework, with an initial focus on characterizing connection complexity.
- The Working Group should support the Risk Framework Small Group's advancing of a "Framework", as distinguished from a potential "Tool" that may be developed at a later date.

Staged Approach to Objectives

- Seek to create staged objectives for the development of the tool, to ensure goals are clearly articulated and attainable within defined times.
- Ensure staged approach builds on work that has already been performed.
- Allow for flexibility in subsequent stages, depending on learnings from prior stages.

Risk Framework – Objectives



Stage 1 **Revised** – Early Indication of Connection Viability and Complexity

Goal

To develop a standardized risk-score-based framework which can be utilized by the proponent and/ or the utility during the pre-application period and which, using connection facility and minimal utility-side inputs, establishes the viability and potential complexity of a proposed interconnection.

Applicant Benefit

- Enhanced understanding of facility-side and utility-side risk factors which affect the viability and complexity of connection proposals.
- Enhanced transparency around connection complexity and cost considerations faced by utilities.
- Flexibility to the proponent and/ or their consultants to carry out scenario-analysis by mapping input-output results with minimal utility input.

Utility Benefit

- Potentially fewer low-viability/ casual applications leading to better allocation of resources on higher viability projects.
- Mitigate workload-impact from connection ‘scouting’ exercises through the adoption of a standardized framework which can be utilized by proponents.
- Better quality submissions from Applicants having enhanced understanding of the risk factors present on both sides of the connection point.

Deliverables

- Confirm/define outputs
- Confirm/define inputs
- Confirm/refine logic
- Refine/ simplify existing tool
- Establish sandbox CIAs
- Test tool against CIAs
- Explore *value* of change to process gateway (potential referral to Process Subgroup)

Risk Framework – Proposed Outputs

- Extremely High: Electrical limits exceeded without practical means to change outcome.
- High Cost/Complexity: Connection can be made viable through a combination of potentially costly network upgrades and customer-side infrastructure.
- Medium Cost/Complexity: Connection can be made viable through combination of customary network upgrades and customer-side infrastructure.
- Low Complexity: Connection is viable with limited network modifications.



* Adjustments to operating modes of the DER may be possible, for example for cases where a DER may be disconnected when served by an alternate utility feeder. Such scenarios are best addressed through discussions with utility staff.

Framework vs. Tool Discussion

Framework vs Tool

Framework and Tool were loosely used terms during Tranche 2. At this point, make the following distinction:

The Risk Framework:

- will provide perspective and intent for the Risk Tool.
- will provide the qualitative description of Use Cases and Risk Factors and their input-output relationship.
- will provide the criteria and requirements for the Risk Tool (aka specifications).

The small working group will focus on development of the Risk Framework.

Framework vs Tool (Continued)

The Risk Tool:

- will be the manifestation of the Risk Framework and will contain the precise inputs, outputs and logical relationships.
- will require some engineering effort in order to establish the appropriate risk scoring equations (comprising of severity, probability and weighting).
- May be specific to a particular distribution system's characteristics.