

Overview of California ISO Proposal for Interconnection Study Process for SGI Compliance Filing

Proposed Process

- A centralized interconnection study process will be used for small generating facilities of no more than 20 megawatts that propose to interconnect to facilities under the operational control of the ISO.
- The ISO will be the single point of contact for Interconnection Customer.
- The ISO will be the central point of coordination to involve any Affected Systems.
- Interconnection Requests will be included in the one queue that is maintained by the ISO for all proposed interconnections to facilities under the operational control of the ISO (small and large generators).
- The ISO will collect and disburse monies received from Interconnection Customers.
- The ISO will sign the interconnection study agreements and subcontract to the PTOs all of the small generator interconnection studies, with the ISO providing oversight, coordination and approval of all of the important elements of the studies (ensuring an independent entity point of view for the Interconnection Customer). For example, the ISO will review and comment on the study plan and base cases, and review and approve the SGIP interconnection study results and final study report.
- Note that some time will need to be added to the study process for coordination between the ISO and PTOs (i.e., the timeline will be extended somewhat from what is currently in the FERC *pro forma*, with the specific number of days to be added still to be determined).

Rationale

- Few generation projects qualify for the SGIP/SGIA (only about 8% of current projects).
- The timelines to perform the SGIP studies in the FERC *pro forma* documents are very tight compared to the large generator (LGIP) study timelines and will require an expedited process.
- If seams issues are anticipated upon the ISO's review of the Interconnection Customer's requested interconnection point in the Interconnection Request, then the ISO would coordinate with any Affected System, including inviting any Affected System to the Scoping Meeting. The PTOs would then perform all of the interconnection studies, under the direction of the ISO, with ISO review and final approval of study results and final study report. Based on our experience to date for this size of projects, seams issues are expected to be minimal.
- This proposal strikes an appropriate balance given the nature and size of the interconnection, the remoteness of seams issues, and the tight timelines provided in the FERC *pro forma* documents.

Comparison of Proposed SGIP Process and "As-Filed" November 1, 2005 LGIP Process

Process	Study Plan	Base Case	Study Results	Final Study Report
LGIP	X	X	X	X
SGIP	†	†	X	X

Key:

X = ISO reviews and approves.

† = ISO reviews and provides comments.