



August 4, 2014

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER14-____ - 000**

Filing to Comply with Order No. 792

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”)¹ submits revisions to its tariff to implement reforms directed by Commission Order No. 792.² The CAISO submits this compliance filing under section 206 of the Federal Power Act (“FPA”) in connection with a companion CAISO filing submitted today under section 205 of the FPA to implement CAISO interconnection process enhancements related in part to Order No. 792 (“FPA 205 tariff filing”).

This compliance filing includes the CAISO’s proposed revisions to its tariff that are identical to the *pro forma* tariff revisions included in Order No. 792 in order to comply in part with Order No. 792. The CAISO also explains in this compliance filing that certain tariff provisions discussed in the FPA 205 tariff filing are “consistent with or superior to” the reforms adopted by Order No. 792 or satisfy the “independent entity variation” standard described in Order No. 792. The provisions in the FPA 205 tariff filing complete the CAISO’s compliance with Order No. 792.

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff, and references to specific sections, articles, and appendices are references to sections, articles, and appendices in the CAISO tariff unless otherwise indicated.

² *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,159 (2013) (“Order No. 792”), *order clarifying compliance procedures*, Order No. 792-A 146 FERC ¶ 61,214 (2014) (“Order No. 792-A”).

The CAISO requests that the Commission accept the tariff revisions contained in this filing effective as of November 4, 2014.

I. Background

A. Order No. 792

On November 22, 2013, the Commission issued Order No. 792 directing revisions to the Commission's *pro forma* small generator interconnection procedures ("SGIP") and small generator interconnection agreement ("SGIA"). Order No. 792 required transmission providers to implement the following SGIP/SGIA reforms:

- Provide prospective interconnection customers with the opportunity to request a pre-application report;³
- Apply new fast track interconnection eligibility thresholds;⁴
- Revise the customer options meeting and supplemental review process following failure of a fast track screen;⁵
- Permit interconnection customers to provide written comments on any required upgrades in the facilities study;⁶
- Account for the interconnection of storage devices under small generator interconnection procedures;⁷
- Revise the *pro forma* SGIP to require interconnection customers wishing to interconnect using Network Resource Interconnection Service to do so under the large generator interconnection procedures ("LGIP") and execute a large generator interconnection agreement ("LGIA").⁸

³ Order No. 792 at PP 28-82.

⁴ *Id.* at PP 83-110.

⁵ *Id.* at PP 111-88.

⁶ *Id.* at PP 189-209.

⁷ *Id.* at PP 222-31.

⁸ *Id.* at PP 232-36.

The Commission provided *pro forma* tariff revisions in Order No. 792 to implement each of these amendments.⁹

The Commission directed each public utility transmission provider to submit a compliance filing pursuant to section 206 of the FPA that includes the *pro forma* tariff revisions contained in Order No. 792 without variation.¹⁰ The Commission also stated that, in cases where provisions in a public utility transmission provider's existing SGIP and SGIA have previously been found by the Commission to be "consistent with or superior to" the *pro forma* SGIP and SGIA, the public utility transmission provider could demonstrate that the previously approved provisions are consistent with or superior to the *pro forma* SGIP and SGIA as modified in Order No. 792.¹¹ The Commission required the compliance filing to be submitted within six months of the effective date of Order No. 792, *i.e.*, by August 4, 2014.¹²

Further, the Commission permitted each public utility transmission provider to submit a filing under section 205 of the FPA to demonstrate that either a variation from the *pro forma* tariff revisions adopted in Order No. 792 that has not been previously approved by the Commission, or a previously approved variation from the *pro forma* tariff revisions adopted in Order No. 792 that has been substantively affected by the reforms therein, meets one of the standards for variance provided for in Order No. 792, including, for independent system operators and regional transmission organizations, the "independent entity variation" standard.¹³ The Commission stated that any such filings would also be due by August 4, 2014.

B. Enhancements to the CAISO Interconnection Procedures

California's ambitious renewable portfolio standard and the associated changes in the generation development marketplace have made it increasingly important over the past several years for the CAISO to identify ways to better administer its generation interconnection queue.¹⁴ The CAISO's overriding goal

⁹ *Id.* at appendices C and D.

¹⁰ Order No. 792-A at P 2.

¹¹ Order No. 792 at P 270.

¹² *Id.* at P 269. Order No. 792 became effective on February 3, 2014. See 78 Fed. Reg. 73240 (Dec. 5, 2013).

¹³ Order No. 792 at P 274; Order No. 792-A at P 3.

¹⁴ There were approximately 250 projects in the interconnection queue as of July 18, 2014. See <http://www.caiso.com/planning/Pages/GeneratorInterconnection/Default.aspx> (CAISO website page listing projects in the queue).

has been to tailor its procedures to best promote the achievement of California's energy policy goals while ensuring that they continue to be grounded in principles of fairness and non-discrimination. Because of the rapid evolution of the generation development marketplace in California, achieving these goals has required the CAISO to engage in a process of continuous review and updates to its generator interconnection tariff procedures.¹⁵

The updates to the CAISO's interconnection tariff procedures have included variations from the Commission's *pro forma* interconnection procedures that the Commission has approved to meet the needs of the CAISO's interconnection process. For example, the Commission accepted the CAISO's proposal to consolidate its large and small generator interconnection procedures into a combined cluster study process in place of separate serial study processes.¹⁶

In April 2013, the CAISO launched a stakeholder process aimed at improving its generator interconnection process, the Interconnection Process Enhancements ("IPE") initiative.¹⁷ The IPE initiative is the most recent in a series

¹⁵ The generator interconnection process and related provisions are set forth primarily in section 25 of the CAISO tariff and the interconnection procedures and *pro forma* generator interconnection agreements ("GIAs") contained in appendices to the tariff: the small generator interconnection procedures ("SGIP") for projects in the serial study process (appendix S); small generator interconnection agreement ("SGIA") for interconnection requests processed under appendix S (appendix T); large generator interconnection procedures ("LGIP") for projects in the serial study process (appendix U); large generator interconnection agreement ("LGIA") for interconnection requests processed under appendix U (appendix V); interconnection procedures in effect prior to July 1, 2005 (appendix W); generator interconnection procedures ("GIP") for projects in a queue cluster study process prior to cluster five (appendix Y); LGIA for interconnection requests processed under appendix Y in a queue cluster window (appendix Z); LGIA for interconnection requests processed under appendix Y in a serial study group that tendered or executed the LGIA on or after July 3, 2010 (appendix BB); LGIA for interconnection requests processed under appendix Y in a queue cluster window that tendered or executed the LGIA on or after July 3, 2010 (appendix CC); generator interconnection and deliverability allocation procedures ("GIDAP") for projects in a queue cluster study process in cluster five and subsequent clusters (appendix DD); LGIA for interconnection requests processed under the GIDAP (appendix EE); SGIA for interconnection requests processed under the GIDAP (appendix FF); and one-time generator downsizing opportunity (appendix GG). Unless otherwise specified or the context otherwise requires, a GIA can be either an LGIA or an SGIA.

¹⁶ See *California Independent System Operator Corp.*, 133 FERC ¶ 61,223, at PP 66-81 (2010). The consolidated generator interconnection procedures are set forth in the GIP (appendix Y) and the GIDAP (appendix DD).

¹⁷ Further background information on the IPE initiative is provided in the CAISO's September 30, 2013 tariff amendment filing in Docket No. ER13-2484 to implement the first set of tariff revisions to come from that initiative.

of stakeholder processes that the CAISO has conducted over the past several years in order to meet its commitment to improving its interconnection process.¹⁸

Among the topics addressed in the IPE initiative is enhancement of the CAISO's fast track process. The CAISO and stakeholders adapted their discussion and tariff revisions on this topic based on the direction provided in Order No. 792. The tariff revisions are broadly supported by stakeholders and reflect the efforts of a stakeholder working group, in meetings held biweekly from August 2013 through early 2014, that assessed the CAISO's current fast track interconnection process and developed proposed changes to make the process more transparent and efficient in order to attract more interconnection customers to the fast track process.

II. Compliance with Order No. 792

Pursuant to Order No. 792, this compliance filing includes the CAISO's proposed revisions to its tariff that are identical to *pro forma* tariff revisions included in Order No. 792. The CAISO also explains in this compliance filing that certain provisions discussed in the FPA 205 tariff filing are consistent with or superior to the reforms adopted by Order No. 792 or satisfy the independent entity variation standard described in Order No. 792.¹⁹

The FPA 205 tariff filing that the CAISO is separately filing today contains the tariff revisions proposed in this compliance filing as well as additional tariff revisions related to Order No. 792 and the IPE initiative. The FPA 205 tariff filing also contains the reasons for those tariff revisions and a table that explains, section by section, whether the CAISO's tariff provisions are the same as or different from the *pro forma* tariff revisions contained in Order No. 792. In cases where they differ, the CAISO explains how they are consistent with or superior to the *pro forma* language in Order No. 792 or satisfy the independent entity variation standard.

¹⁸ The other stakeholder processes include Generation Interconnection Process Reform held in 2008-09, Generation Interconnection Procedures Phase 1 held in 2010, and Generation Interconnection Procedures Phase 2 ("GIP-2") held in 2011 and early 2012. In addition, the CAISO began Generator Interconnection Procedures Phase 3 ("GIP-3") in 2012 but deferred that initiative based on stakeholder feedback in order to develop a one-time generator downsizing opportunity.

¹⁹ The tariff provisions discussed in the FPA 205 filing that are consistent with or superior to the Commission's directives or that satisfy the independent entity variation standard are intended to be included in the CAISO tariff in place of certain portions of the *pro forma* Order No. 792 tariff language. Therefore, the CAISO has not reproduced those portions of the *pro forma* Order No. 792 tariff language in this compliance filing. To do so would create confusion in light of the fact that the CAISO's tariff already varies significantly from the Commission's *pro forma* SGIP and SGIA and the CAISO is submitting additional tariff enhancements in its FPA 205 tariff filing.

A. The CAISO proposes to incorporate a pre-application report process to address interconnections to a networked transmission system

In Order No. 792, the Commission directed each public utility transmission provider to make tariff revisions pre-application report that allows prospective interconnection customers to request a pre-application report.²⁰

As explained in its FPA 205 tariff filing, the CAISO proposes to incorporate tariff revisions governing the pre-application report process into the GIDAP that meet the independent entity variation standard. These revisions differ from the *pro forma* tariff revisions set forth in Order No. 792 in that they incorporate information categories that apply to a networked transmission system as opposed to a radial distribution circuit. The CAISO believes these tariff revisions will permit an interconnection customer to obtain necessary information to make more informed siting decisions and diminish the likelihood that the interconnection customer may submit multiple interconnection requests for a single project.

B. The existing GIDAP includes fast track eligibility thresholds that are consistent with or superior to those adopted by Order No. 792

In Order No. 792, the Commission adopted fast track interconnection eligibility thresholds that (1) modify fast track eligibility for inverter-based machines based on individual system and generator characteristics; (2) limit eligibility for lines below 5 kV; and (3) make all projects interconnecting to lines greater than 69-kV ineligible for the fast track process. Order No. 792 maintained a 2 MW eligibility threshold for both synchronous and induction machines.²¹

The CAISO submits that the fast track eligibility thresholds set forth in the existing GIDAP are consistent with or superior to the eligibility thresholds adopted by Order No. 792. The GIDAP provides that an interconnection customer may request interconnection of a proposed generating facility under the fast track process if the facility is no larger than 5 MW and is requesting energy-

²⁰ Order No. 792 at PP 28-82. These provisions are set forth in sections 1.2.2 through 1.2.4 (including the subsections therein) of the *pro forma* small generator interconnection procedures. *Id.* at appendix C. Proposed GIDAP sections 1.3.1.1, 1.3.1.2, 1.3.1.4, 1.3.1.6, and 1.3.1.7 are exactly the same as some of those *pro forma* provisions.

²¹ Order No. 792 at PP 102-110. These provisions are set forth in sections 1.1.1 and 2.1, and attachment 1 (definition of Fast Track Process), of the *pro forma* small generator interconnection procedures. *Id.* at appendix C.

only deliverability status.²² The GIDAP also requires that the interconnection customer's resource meet the codes, standards, and certification requirements of appendices 9 and 10 of the GIDAP, or that the applicable participating transmission owner notify the CAISO that it has reviewed the design for or tested the proposed resource and has determined that the proposed resource may interconnect consistent with reliability criteria and good utility practice.²³ Further, the GIDAP permits an existing resource to take advantage of the fast track process if it is reconfiguring or repowering in a manner that increases the gross generating capacity by not more than 5 MW.²⁴

The CAISO is not proposing any changes to its current fast track eligibility thresholds because its current tariff provisions are more inclusive than the fast track eligibility thresholds adopted in Order No. 792. The existing provisions allow for a larger number of resources to be eligible for the fast track interconnection process. These eligibility thresholds are, accordingly, consistent with or superior to those adopted in Order No. 792.

C. The CAISO proposes enhancements to its customer options meeting and supplemental review process that meet the independent entity variation standard

In Order No. 792, the Commission adopted reforms to the customer options meeting and supplemental review process following an interconnection customer's failure of the initial fast track interconnection screens. These reforms require transmission providers to apply specified screens in a supplemental review process to assess if a fast track interconnection process is still possible. The reforms also require that transmission providers undertake certain processes by specific timeframes to ensure the fast track interconnection process occurs in an efficient and timely manner.²⁵

As explained in its FPA 205 tariff filing, the CAISO is proposing a comprehensive set of changes to the screens that comprise the initial review as well as the supplemental review process, if an interconnection customer fails the

²² GIDAP section 5.1. Energy-only deliverability status means Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades.

²³ Appendix 9 identifies various standards and codes. Appendix 10 relates to certification of equipment packages.

²⁴ GIDAP section 5.1.

²⁵ Order No. 792 at PP 111-88. These provisions are set forth in sections 2.3 and 2.4 (including subsections therein) of the *pro forma* small generator interconnection procedures. *Id.* at appendix C.

initial review. Effectively, the CAISO is proposing to enhance its initial review to undertake screens to assess whether the generating facility can interconnect to the transmission system safely and reliably. The CAISO is also proposing to conduct an expedited assessment of any necessary facilities to interconnect the resource if it passes the fast track initial review. With respect to the supplemental review process, the CAISO is proposing tariff revisions to allow a resource that fails the fast track interconnection initial review to elect to pay for the costs of an expedited review to determine what reliability network upgrades and interconnection facilities are necessary to facilitate the interconnection and whether the resource wishes to proceed with that process or elect to interconnect using the cluster study process.

The tariff revisions the CAISO is proposing depart from the *pro forma* tariff revisions set forth Order No. 792 regarding the customer options meeting and the supplemental review process. As explained above and in the FPA 205 tariff filing, the CAISO's interconnection process and its challenges to accommodate a large number of interconnection requests have placed it in a unique position among transmission providers. Under the independent entity variation standard, this departure is appropriate because it will permit the CAISO to administer a fast track interconnection process that is effective and provides interconnection customers with cost certainty in a timely manner.

D. The existing GIDAP permits interconnection customers to provide written comments regarding any required upgrades

In Order No. 792, the Commission directed transmission providers to permit interconnection customers to provide written comments on any required upgrades in the facilities study.²⁶

The existing GIDAP already provides an opportunity for the interconnection customers to submit written comments on both the phase I and phase II interconnection study reports.²⁷ As explained in the FPA 205 tariff filing, the CAISO is not proposing any changes to this existing language because it is consistent with or superior to the *pro forma* revisions set forth in Order No. 792. The CAISO, however, also proposes in the FPA 205 tariff filing to extend the right of an interconnection customer to submit written comments in response to a system impact and feasibility study performed as part of the independent study process. The CAISO is proposing this change under the independent entity variation standard.

²⁶ Order No. 792 at PP 203-09. These provisions are set forth in sections 9.0 and 10.0 of the Facilities Study Agreement contained in attachment 8 to the *pro forma* small generator interconnection procedures. *Id.* at appendix C.

²⁷ GIDAP sections 6.7, 8.7.

E. Tariff revisions to account for the interconnection of storage devices under the CAISO's interconnection procedures

Order No. 792 directed transmission providers to specifically define electric storage devices as generating facilities that can take advantage of generator interconnection procedures. Order No. 792 also directed that transmission providers should measure the capacity of a small generating facility based on the capacity specified in the interconnection request, which may be less than the maximum capacity that a device is capable of injecting into the transmission provider's system.²⁸

The CAISO proposes to incorporate the tariff revisions set forth in Order No. 792 into the definition of the term Generating Facility in appendix A of the CAISO tariff. The CAISO also proposes to amend the definition of a generating facility in appendices EE and FF, which contain the *pro forma* SGIA and LGIA subject to the GIDAP. Finally, the CAISO proposes to incorporate (with minor variations to refer to the CAISO instead of the Transmission Provider) the Commission's *pro forma* tariff revisions regarding the evaluation of a resource's maximum rated capacity to determine if the resource is a small generating facility into section 3.1 of the GIDAP.

F. The Order No. 792 provisions relating to network resource interconnection service are based on a design paradigm different from the design of the GIDAP

Order No. 792 directed each transmission provider to require an interconnection customer wishing to interconnect a small generating facility using network resource interconnection service to do so under the transmission provider's LGIP and to execute an LGIA.²⁹

This directive in Order No. 792 is based on a design paradigm different from the design of the existing GIDAP. The CAISO understands network resource interconnection service to mean a service that allows an interconnection customer to integrate its resource into the transmission provider's system in a manner comparable to the transmission provider's resources. For purposes of the CAISO, this means interconnection service comparable to

²⁸ Order No. 792 at PP 227-31. These provisions are set forth in section 4.10.3 and attachment 1 (definition of Small Generating Facility) of the *pro forma* small generator interconnection procedures and in attachment 1 (definition of Small Generating Facility) of the *pro forma* small generator interconnection agreement. *Id.* at appendices C and D.

²⁹ *Id.* at PP 235-36. These provisions are set forth in section 1.1.1 and attachment 1 (definitions of Network Resource and Network Resource Interconnection Service) of the *pro forma* small generator interconnection procedures. *Id.* at appendix C.

interconnection service offered to all other customers. As discussed above, the CAISO has consolidated its small and large generator interconnection procedures in the GIDAP. Section 2.4.2 of the GIDAP already allows an interconnection customer to connect its generating facility to the CAISO controlled grid and be eligible to deliver the resource's output using the available capacity of the CAISO controlled grid. This provision applies to both small and large generator resources. Therefore, as explained in the FPA 205 tariff filing, the CAISO is not proposing to make any changes to this language pursuant to Order No. 792 because it satisfies the consistent with or superior to standard.

III. Effective Date

The CAISO requests that the Commission accept the tariff revisions contained in this filing effective as of November 4, 2014.

IV. Communications

The CAISO requests that the Commission address communications regarding this filing to the following individuals and place their names on the official service list established by the Secretary with respect to this submittal:

Michael Kunselman
Bradley R. Miliauskas
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 756-3300
Fax: (202) 654-4875
michael.kunselman@alston.com
bradley.miliauskas@alston.com

Andrew Ulmer
Director of Federal Regulatory Affairs
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (202) 239-3947
Fax: (916) 608-7296
aulmer@caiso.com

V. Service

The CAISO has served copies of this transmittal letter, and all attachments, on the California Public Utilities Commission, the California Energy Commission, and all parties with effective Scheduling Coordinator Service Agreements under the CAISO tariff. In addition, the CAISO is posting this transmittal letter and all attachments on the CAISO website.

VI. Contents of Filing

The following documents, in addition to this transmittal letter, support the instant filing:

Attachment A Revised CAISO tariff sheets – clean

Attachment B Revised CAISO tariff sheets – blacklined

VII. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission find that the tariff revisions contained in this filing comply with Order No. 792 and make them effective as of November 4, 2014.

Respectfully submitted,

Michael Kunselman
Bradley R. Miliauskas
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004

Andrew Ulmer
Director of Regulatory Affairs
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Counsel for the California Independent System Operator Corporation

Attachment A – Clean Tariff Sheets

Order No. 792 Compliance

California Independent System Operator Corporation

Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

* * *

Section 1 Objectives And Applicability

* * *

- 1.3.1.1 Project contact information, including name, address, phone number, and email address.
- 1.3.1.2 Project location (street address with nearby cross streets and town).
- 1.3.1.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
- 1.3.1.6 Single or three phase generator configuration
- 1.3.1.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

* * *

Appendix EE

Large Generator Interconnection Agreement

for Interconnection Requests Processed under the Generator Interconnection and Deliverability Allocation Procedures (Appendix DD of the CAISO Tariff)

* * *

Article 1. Definitions

* * *

Generating Facility shall mean the Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the Interconnection Customer's Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

* * *

Appendix FF

**Small Generator Interconnection Agreement for Interconnection Requests Processed Under the
Generator Interconnection and Deliverability Allocation Procedures**

(Appendix DD to the CAISO Tariff)

* * *

**Attachment 1
Glossary Of Terms**

* * *

Small Generating Facility – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Attachment B – Marked Tariff Sheets

Order No. 792 Compliance

California Independent System Operator Corporation

Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

* * *

Section 1 Objectives And Applicability

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1.3.1.1 Project contact information, including name, address, phone number, and email address.

1.3.1.2 Project location (street address with nearby cross streets and town).

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1.3.1.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

* * *

1.3.1.6 Single or three phase generator configuration

1.3.1.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

* * *

Appendix EE

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for Interconnection Requests Processed under the Generator Interconnection and Deliverability Allocation Procedures (Appendix DD of the CAISO Tariff)

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Article 1. Definitions

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Generating Facility shall mean the Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the Interconnection Customer's Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

* * *

Appendix FF

**Small Generator Interconnection Agreement for Interconnection Requests Processed Under the
Generator Interconnection and Deliverability Allocation Procedures**

(Appendix DD to the CAISO Tariff)

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