

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Southern California Edison) Docket No. ER14-2432-000
Company)**

**MOTION TO INTERVENE AND LIMITED PROTEST OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) moves to intervene and file comments in response to Southern California Edison Company’s (“SCE”) filing of an unexecuted Large Generator Interconnection Agreement (“LGIA”) among SP Antelope DSR LLC (“Antelope”), SCE, and the CAISO.¹ The CAISO supports this version of the Antelope LGIA with the exception of one provision included by SCE in Appendix C, which permits SCE to perform “technical assessments reasonably related to the interconnection or operation” of the Antelope project whenever SCE deems such assessments to be necessary.

The CAISO believes that it is not necessary to add this language to the Antelope LGIA because existing provisions in the CAISO’s generation interconnection procedures and the pro forma LGIA are adequate to allow the participating transmission owner to conduct general assessments of the scope and continuing need for upgrades identified in this and other interconnection agreements.

¹ The CAISO submits this motion to intervene and comments pursuant to Rules 212 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 214. After the Commission issues an order on SCE’s filing, the ISO will submit a certificate of concurrence that accords with the Commission’s directives regarding the LGIA.

Also, SCE's proposed technical assessment provision is not harmonized, and may lead to conflicts, with the CAISO's existing interconnection procedures and the pro forma LGIA. If SCE believes that the existing provisions of the CAISO's pro forma LGIA or generator interconnection procedures do not adequately accommodate the need to perform studies, including studies to avoid building unnecessary upgrades, then the appropriate mechanism for addressing this concern is through the CAISO's stakeholder process, not including generalized study rights for itself in an appendix to what SCE has filed as a conforming LGIA.

For these reasons, the CAISO does not support including in the Antelope LGIA the technical assessment language proposed by SCE. However, the CAISO and SCE are continuing to negotiate this matter in an attempt to craft a resolution that would be agreeable to the CAISO, SCE and the interconnection customer. The CAISO is optimistic that the parties can reach a solution that allows them to execute a *pro forma* LGIA prior to the end of the 60-day period for a Commission ruling on the unexecuted Antelope LGIA.

I. Motion to Intervene

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California. The CAISO tariff includes provisions regarding the interconnection of generating facilities to the CAISO controlled grid. These provisions include the *pro forma* Large Generator Interconnection Agreement on which the LGIA filed in this proceeding is based. The CAISO was involved in the negotiations of the LGIA with Antelope and SCE, and is a party to the LGIA. As

such, the CAISO has an interest in this proceeding that cannot be adequately represented by any other party. Accordingly, the CAISO requests that the Commission permit it to intervene in this proceeding.

II. Limited Protest

A. The Technical Assessment Language Proposed by SCE is Not Necessary to Account for Changes that Occur After LGIA Execution

The CAISO objects to one provision in the LGIA filed by SCE -- Section 5(g) of Appendix C, which states:

The Participating TO may perform technical assessments reasonably related to interconnection or operation of the SP Antelope DSR Project when requested by the Interconnection Customer, directed by the CAISO in accordance with the CAISO Tariff, or when the Participating TO deems such technical assessments are necessary. Such technical assessments will be performed at the Interconnection Customer's expense, with scope, timing and cost to be determined by the Participating TO.

SCE contends that it needs this provision to allow it to reassess whether facilities identified in the LGIA will continue to be necessary if changes to SCE's system occur after the LGIA becomes effective. SCE maintains that conducting such assessments will enable it to avoid installing unnecessary equipment while ensuring safe and reliable operation of the transmission system.

Contrary to SCE's claim, this language is not needed to protect against the potential for constructing unnecessary upgrades. Existing provisions in the CAISO's pro forma LGIA and interconnection procedures already provide sufficient authority for the CAISO and Participating TOs to assess and account for changes that occur after the execution of the LGIA. Consistent with the

Commission's pro forma interconnection agreement, the CAISO's LGIA vests the applicable Participating Transmission Owner with responsibility for designing, engineering, and constructing Transmission Owner Interconnection Facilities and Network Upgrades.² These provisions are sufficiently broad to permit, as part of that process, a Participating Transmission Owner such as SCE to assess whether it might be desirable to modify upgrades identified for particular interconnection customers, or assess whether they are still needed at all once the interconnection customer has submitted a notice to proceed with design and procurement.³ Moreover, the pro forma LGIA makes clear that these design and engineering costs are funded by the interconnection customer, and potentially subject to reimbursement.⁴

To the extent SCE concludes that a change should be made to an upgrade identified in an executed LGIA, Section 5.19 of the LGIA provides a process for both interconnection customers and Participating Transmission Owners to modify their facilities, subject to the provisions of the LGIA and the CAISO tariff. With respect to modifications reasonably expected to impact another party, this provision requires that the party proposing the modification provide to the other parties sufficient information so as to allow the other parties to evaluate the impact of such modifications. If the other parties to the

² See CAISO Tariff, Appendix CC, Section 5.1.1: "The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones."

³ Appendix B, Milestone (b).

⁴ See CAISO Tariff, Appendix CC, Sections 11.2 and 11.3. With respect to costs relating Participating Interconnection Facilities, those costs are borne solely by the interconnection customer, while costs relating to Network Upgrades are reimbursable pursuant to the relevant provisions of the ISO's interconnection procedures.

interconnection agreement are amenable to a proposed modification to an upgrade identified therein, such agreement would be reflected through an appropriate amendment to the interconnection agreement.

In addition to these project-specific provisions, the CAISO's interconnection procedures specifically provide for an annual reassessment in which the CAISO evaluates the impacts of various changes to the interconnection queue and CAISO grid on network upgrades identified in previous interconnection studies, including the withdrawal of other customers in the queue, changes to system configurations, and the performance of interconnection customers with respect to the milestones set forth in their interconnection agreements.⁵ The CAISO tariff also states that when, as a consequence of this reassessment, the CAISO determines that changes to previously identified network upgrades will cause changes to plans of service set forth in executed interconnection agreements, such changes will serve as the basis for amendments to those interconnection agreements.

The CAISO recognizes that there may be specific contingencies applicable to individual interconnection customers where the existing provisions that allow SCE to re-evaluate the interconnection facilities and network upgrades required may not be sufficient to allow the project to meet its planned timeline. In these cases, the CAISO does not object to including some additional, targeted language in the customer's interconnection agreement providing for a further assessment. For instance, the CAISO recently agreed to including language in an interconnection agreement permitting SCE to assess the feasibility of an

⁵ CAISO Tariff, Appendix DD, Section 7.4.

alternative to the telecommunication facilities identified by SCE as necessary protection for the customer's gen-tie line, based on the outcome of a pending environmental review. These instances, however, do not support the inclusion in interconnection agreements of a very broad and open-ended right to conduct technical assessments not limited to any specific circumstances, such as the provision SCE proposes to include in the Antelope LGIA.⁶ Rather, the pro forma provisions discussed above provide a general set of procedures that are sufficient under most circumstances to allow the CAISO and participating transmission owners to assess the scope and continuing need for upgrades identified in interconnection agreements such as the Antelope LGIA after they are executed. SCE does not explain why the CAISO's existing interconnection procedures and pro forma LGIA are inadequate. Nevertheless, if SCE believes that these existing provisions are not sufficient to allow it and the CAISO to assess the continued scope and need for upgrades identified in executed interconnection agreements, the appropriate solution is not to include broad "technical assessment" rights in appendices to individual pro forma interconnection agreements. Rather, SCE should raise such concerns in the CAISO's stakeholder process so that all interested parties have the chance to consider them. If stakeholders deem clarifications or additional provisions to be

⁶ There are currently several executed interconnection agreements involving SCE as the participating transmission owner which contain broader "technical assessment" language. The CAISO did not object to the inclusion of this language in the appendices of those agreements because it had not devoted specific attention and consideration to the ramifications of this language when it reviewed those agreements. However, the CAISO notes that the language SCE proposes to include in the Antelope LGIA is broader than most of those agreements insofar as most of those agreements only referred to the right of interconnection customers to request further assessments, while the language in the Antelope IA would permit SCE unrestricted discretion to determine when a "technical assessment" should be performed.

necessary, the appropriate action is to modify the CAISO's pro forma procedures and agreements to ensure they are applied fairly and consistently to all CAISO interconnection customers and transmission owners. Alternatively, if there is a specific need that requires more expedited treatment or additional assessment authority, then SCE should submit such an LGIA as a non-conforming LGIA and justify why existing CAISO tariff provisions are not adequate. It is not appropriate to include this authority in an appendix to a pro forma LGIA.

B. SCE's Proposed Language is Not Harmonized with the ISO's Existing Interconnection Procedures

In addition to being unnecessary, SCE's proposed "technical assessment" provision does not harmonize with the CAISO's existing interconnection study procedures, and could create conflicts and sequencing problems. SCE's proposed language is extremely broad, and gives SCE the sole right to determine the need, timing and scope of any technical assessment, with no input from the CAISO as to the conduct or results of such assessments. This is problematic for several reasons.

First, because the CAISO is the interconnection service provider for Antelope and other customers that connect to the CAISO controlled grid, it is important that the CAISO have an explicit oversight role in any assessments to determine whether to modify or remove any upgrades identified in CAISO interconnection agreements. In particular, it is unclear how any technical assessments that SCE performs under this provision would be synchronized with the CAISO's annual reassessment process, which as explained above, accounts for the impacts on identified upgrades of project withdrawals and other changes

to both the grid and the interconnection queue. At a minimum, a separate technical assessment conducted by SCE during the time that the CAISO was conducting the annual reassessment could result in the unnecessary duplication of costs and efforts. More seriously, such overlapping assessments could lead to conflicting results and sequencing problems, particularly with respect to upgrades that are needed by multiple interconnection customers.

The CAISO is also concerned that including in interconnection agreements the right to conduct what could, in practice, be a full-fledged interconnection study after the interconnection agreement has been executed potentially could undermine the incentive to make the interconnection studies specified in the ISO's interconnection procedures as complete and accurate as possible. This is contrary to the CAISO's goal of providing interconnection customers with the best information as to their plan of service as early as possible in the interconnection process. Any assessments performed after the execution of an interconnection agreement should be narrowly aimed at accounting for intervening changes that impact a customer's plan of service. SCE's proposed language contains no such limitations.

SCE's proposal also makes the customer solely responsible for all of the costs of any assessments that SCE deems necessary. The CAISO believes that requiring the interconnection customer to pay may not be appropriate in all instances, *e.g.*, when a change is required due to a study error or omitting relevant information from the Phase 1 or Phase 2 study that was not the fault of

the interconnection customer, or where the participating transmission owner changes its grid requirements.

III. Communications

The CAISO requests that all communications and notices regarding this filing and this proceeding be provided to:

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IV. Conclusion

For the reasons stated above, the CAISO requests that the Commission grant the CAISO status as an intervenor in this proceeding and direct SCE to remove the “technical assessment” provision set forth in Section 5(g) of Appendix CC to the Antelope LGIA.

Respectfully submitted,

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Dated: August 5, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C., this 5th day of August, 2014.

/s/ Michael Kunselman
Michael Kunselman