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August 23, 2012

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

**Re: California Independent System Operator Corporation
Filing to Comply with July 24, 2012 Order
Docket No. ER12-1855-001**

Dear Secretary Bose:

On May 25, 2012, the California Independent System Operator Corporation submitted revisions to its tariff in this proceeding to integrate its transmission planning process and generation interconnection procedures. On July 24, 2012, the Commission issued an order conditionally accepting the ISO's proposed tariff revisions, effective as of July 25, 2012, and directed the ISO to submit a compliance filing within 30 days of July 24.¹ As described below, the instant filing satisfies the compliance directives in the July 24 order.²

I. Tariff Revisions to Comply with the July 24 Order

In the July 24 order, the Commission noted that the ISO has committed to providing ratepayer-funded network upgrades to those generators in queue clusters 1-4 that continue to make the progress required by the ISO's Generator Interconnection Procedures and the generators' respective Generator Interconnection Agreements. The Commission found, however, that the ISO's

¹ *California Independent System Operator Corp.*, 140 FERC ¶ 61,070 (2012) (July 24 order).

² Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO tariff.

proposed tariff language did not clearly express this commitment. Therefore, the Commission directed the ISO to submit a compliance filing within 30 days to modify Section 8.9.1 of the ISO's new Generator Interconnection and Deliverability Allocation Procedures (GIDAP), to clarify the process for identifying commitments that will utilize megawatt quantities of TP Deliverability and confirm that the ISO is not adding a power purchase agreement as a requirement for specific projects in queue clusters 1-4 to receive their requested deliverability status.³

To comply with these directives, the ISO has modified Section 8.9.1 of the GIDAP to clarify that the ISO's process for identifying commitments that will utilize megawatt quantities of TP Deliverability will not affect the rights and obligations of proposed generating facilities in queue cluster 4 or earlier with respect to the construction and funding of network upgrades identified for such generating facilities, or their requested deliverability status. The ISO has also modified GIDAP Section 8.9.1 to clarify that such rights and obligations will continue to be determined pursuant to the Generator Interconnection Procedures and the generating facility's Generator Interconnection Agreement.

II. Communications

Communications regarding this filing should be addressed to the following individuals, whose names should be placed on the official service listed established by the Secretary with respect to this submittal:

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III. Service

The ISO has served copies of this transmittal letter and all attachments upon all parties in the official service list for this proceeding. In addition, the ISO is posting this transmittal letter and all attachments on the ISO website.

³ July 24 order at P 68.

IV. Attachments

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

- | | |
|--------------|--|
| Attachment A | Revised ISO tariff sheets to comply with the directives in the July 24 order |
| Attachment B | ISO tariff revisions shown in black-line format |

V. Conclusion

For the reasons stated above, the Commission should accept the instant filing as complying with the directives in the July 24 order. Please contact the undersigned with any questions.

Respectfully submitted,

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Attorneys for the California Independent System Operator Corporation

Attachment A – Clean Tariff
Generation Interconnection and Deliverability Allocation Procedures
Compliance Filing
California Independent System Operator Corporation
Fifth Replacement FERC Electric Tariff
August 23, 2012

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Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

* * * *

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

- (a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:
 - (i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.
 - (ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.4.
- (b) any Maximum Import Capability included as a planning objective in the Transmission Plan;
- (c) any other commitments having a basis in the Transmission Plan.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation to the current queue cluster in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

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Attachment B – Marked Tariff

Generation Interconnection and Deliverability Allocation Procedures

Compliance Filing

California Independent System Operator Corporation

Fifth Replacement FERC Electric Tariff

August 23, 2012

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Appendix DD

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- (b) any Maximum Import Capability included as a planning objective in the Transmission Plan;
- (c) any other commitments having a basis in the Transmission Plan.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation to the current queue cluster in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced 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 23rd day of August, 2012.

/s/ Bradley R. Miliauskas
Bradley R. Miliauskas