

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

**California Independent System            )       Docket No. ER12-2643-000**  
**Operator Corporation                    )**

**MOTION FOR EXTENSION OF TIME  
REGARDING COMPLIANCE FILING**

The California Independent System Operator Corporation (“ISO”)<sup>1</sup> seeks an extension of time to comply with the Commission’s November 16, 2012 order in this proceeding (“November 16 order”). In that order, the Commission conditionally accepted the ISO’s proposed tariff amendment to implement a process for allocating deliverability status to distributed generation (“DG”) resources (“DG deliverability”). The order also required the ISO to modify its proposal to apportion DG deliverability to load-serving entities rather than to local regulatory authorities, and to reflect that FERC-jurisdictional load-serving entities must assign DG deliverability through a “first-come, first-served process.”<sup>2</sup> The Commission directed the ISO to make a compliance filing reflecting these modifications within 30 days of the November 16 order, i.e. December 16, 2012.

As explained below, these directives require additional consideration and stakeholder involvement to determine how best to comply with the Commission’s directives, while still preserving the intended benefits of the ISO’s proposal,

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the ISO tariff, as revised by the proposed tariff changes contained in the ISO’s May 25, 2012 TPP-GIP tariff amendment in this proceeding. Except where otherwise specified, references to section numbers are references to sections of the ISO tariff as revised by the proposals in the TPP-GIP tariff amendment.

<sup>2</sup> November 16 Order at P 51.

which the Commission accepted. Because of the complexity of these issues, and the various options that the ISO has identified as potential approaches to comply with the November 16 Order, additional time is necessary to fully evaluate the options and to engage with its stakeholders in order to develop the best possible approach. To do so, the ISO is thus requesting that the Commission provide it with 60 days additional time to make the required compliance filing, *i.e.* to February 14, 2013.

In addition, the ISO advises the Commission that some of the options the ISO has identified as potential approaches could require changes to the filed tariff amendment that go beyond the specific changes the Commission ordered on compliance. If, after further evaluation and vetting with stakeholders, the ISO determines that such changes are necessary, the ISO may file a request for clarification that the preferred approach is consistent with the directives of the November 16 order, or, potentially, seek leave to withdraw the original filing to submit a revised tariff amendment.

## **I. BACKGROUND**

On September 18, 2012, the ISO filed the DG deliverability tariff amendment to establish a streamlined process for providing to DG resources resource adequacy deliverability status from the transmission capacity of the ISO controlled grid that would be identified in the ISO's annual transmission plan. Under the proposal, as filed, the ISO would identify, through a new deliverability study, transmission capacity that would be available to support deliverability

status for DG resources without requiring additional network upgrades to the ISO controlled grid, and without adversely affecting the deliverability status of existing resources or resources in the interconnection queue. The ISO's tariff amendment proposed that the ISO would apportion the transmission capacity identified through this study to local regulatory authorities, who would ultimately assign potential DG deliverability to specific DG resources in accordance with processes and eligibility criteria developed by the local regulatory authorities.

In the November 16 order, the Commission approved most aspects of the DG deliverability amendment. The Commission found the ISO's proposal to conduct a new deliverability study to allow maximum usage of existing transmission capacity to be just and reasonable and agreed that this new mechanism would ensure a more efficient and effective use of the existing transmission grid without impeding the existing open and non-discriminatory ISO and utility wholesale distribution interconnection processes.

The Commission determined, however, that the ISO should apportion DG deliverability to *load-serving entities* rather than to local regulatory authorities. The Commission also stated that the ISO's compliance filing should reflect, consistent with the Commission's open-access interconnection policies, that "FERC-jurisdictional load-serving entities must assign DG deliverability among projects based on a first-come, first-served process, subject only to interconnection clustering and operational considerations."<sup>3</sup>

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<sup>3</sup> *Id.*

## **II. MOTION FOR EXTENSION OF TIME**

Since the Commission issued the November 16 order, the ISO has explored, both internally and with a number of parties to this proceeding, various options for modifying the tariff provisions as filed on September 18 to reflect the Commission's directives, while ensuring that the proposal continues to offer a streamlined alternative for providing deliverability for DG resources.

While these efforts have been fruitful, they have revealed that there is not one clearly superior approach to achieving both of these goals and that the decision as to which approach should be adopted will require working through a number of complex and challenging implementation issues before a set of tariff modifications can be developed. Indeed, the ISO has not yet been able to determine whether any of these approaches would both meet the goals of the DG deliverability amendment and at the same time comply with the Commission's order to implement an LSE-administered process to assign deliverability status to DG resources on a first-come, first-served basis.

Due to the number and nature of the issues that must be addressed, the importance of achieving an effective result, and the variety of interested parties, the ISO respectfully requests that the Commission grant the ISO a 60-day extension of time, to February 14, 2013, for submitting a compliance filing in accordance with the November 16 order. This extension will allow the ISO to carefully and thoughtfully complete its consideration of the issues, evaluate the options and develop a compliance proposal in concert with interested stakeholders.

The ISO believes that formally involving stakeholders in this process is particularly important because the ultimate goal of this effort is to facilitate development of DG resources in accordance with California state policy, by providing an efficient means for DG developers, load-serving entities, and regulatory authorities to utilize DG resources to provide resource adequacy capacity. Therefore, input and feedback from these entities will be crucial in evaluating alternative proposals and developing the specific implementing tariff language. Although the ISO has already begun the process of engaging with stakeholders informally, the ISO was unable to go beyond identifying a few alternative compliance approaches within the 30 days allotted for compliance. With the pending holiday season, the ISO believes that an additional 60 days, rather than a shorter period, is a reasonable amount of time to allow it to complete this effort.

As indicated above, the ISO and stakeholders may ultimately determine that the optimal solution is one that does not clearly comport with the structure indicated by the Commission in the November 16 order. If so, the ISO and parties would have the option of filing a motion requesting that the Commission clarify that its rulings in the November 16 order are broad enough to encompass the preferred approach, or potentially requesting withdrawal of the original DG deliverability amendment to allow the ISO and parties to file a new proposed tariff amendment.

The ISO is authorized to state that the following parties support this motion: Pacific Gas and Electric Company, Southern California Edison

Company, San Diego Gas & Electric Company, the California Public Utilities Commission, and the Cities of Anaheim, Azusa, Banning, Colton, Pasadena and Riverside, California.

### III. CONCLUSION

For the reasons explained above, the ISO respectfully requests that the Commission grant it a 60-day extension of time for submitting a compliance filing in accordance with the November 16 order.

Respectfully submitted,

Nancy J. Saracino  
General Counsel  
Roger Collanton  
Deputy General Counsel  
Sidney M. Davies  
Assistant General Counsel  
Baldassaro "Bill" Di Capo  
Senior Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
[sdavies@caiso.com](mailto:sdavies@caiso.com)  
[bdicapo@caiso.com](mailto:bdicapo@caiso.com)

/s/ Michael Kunselman  
Michael Kunselman  
Alston & Bird LLP  
The Atlantic Building  
950 F Street, NW  
Washington, DC 20004  
[michael.kunselman@alston.com](mailto:michael.kunselman@alston.com)  
[bradley.miliauskas@alston.com](mailto:bradley.miliauskas@alston.com)

Counsel for the California Independent System Operator Corporation

Dated: December 17, 2012

## 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 17<sup>th</sup> day of December, 2012.

/s/ Michael Kunselman  
Michael Kunselman