INFORMATION REGARDING THE CAISO’S MARKET NOTICE, DATED APRIL 8, 2008
ESTABLISHING THE INITIAL QUEUE CLUSTER WINDOW UNDER SECTION 4.2 OF THE LARGE GENERATOR INTERCONNECTION PROCEDURES

1. Establishment of an Initial Queue Cluster Window To Implement Reformed Interconnection Procedures

Section 4.2 of the CAISO’s LGIP (Appendix U to the CAISO Tariff) grants the CAISO authority to use “Clustering” to process Interconnection Requests. Clustering allows the CAISO to study all Interconnection Requests received during a “Queue Cluster Window” as a group, rather than serially, for the purpose of conducting the Interconnection System Impact Study. Section 4.2 specifies that the Queue Cluster Window is a period of time not to exceed 180 calendar days. The CAISO has not previously exercised this authority on a generally applicable basis, but rather has used Clustering with special permission from FERC for the limited purpose of studying the Tehachapi Wind Resource Area. (See California Independent System Operator Corp., FERC Docket No. ER07-447-000.) This Market Notice announces the CAISO’s intent to apply Clustering on a going forward basis. The opening and closing dates for this “Initial Queue Cluster Window” shall be:

- Opening Date – June 2, 2008
- Closing Date – November 28, 2008 (this is the date that would be required under the current LGIP, but the CAISO intends to seek an extension of this date from FERC as discussed below)

The dates for this Initial Queue Cluster Window will also be posted to the CAISO Website at http://www.caiso.com/docs/2002/06/11/2002061110300427214.html. The opening and closing dates for subsequent Queue Cluster Windows will be posted to the same CAISO Website location once the final closing date for the Initial Queue Cluster Window is established by FERC.

2. Extension of the Initial Queue Cluster Window Period

Current CAISO Tariff authority in the LGIP limits any Queue Cluster Window to a period not to exceed 180 calendar days. With an opening date of June 2, 2008, this would require the Initial Queue Cluster Window to close on November 28, 2008 at the latest. However, as discussed more thoroughly in the Generation Interconnection Process Reform (GIPR) Proposal, dated March 12, 2008 (http://www.caiso.com/1f42/1f42c00d28c30.html), the CAISO does not anticipate, or intend on, processing Interconnection Requests received during the Initial Queue Cluster Window until Interconnection Requests submitted prior to commencement of the Initial Queue Cluster Window have been fully studied. The CAISO anticipates implementing a transitional study process that allows later-stage Interconnection Requests to continue to be studied under the currently effective LGIP, and that studies for an earlier-stage group of Interconnection Requests submitted prior to June 2, 2008, a “GIPR Transition Cluster Study,” to be completed, and results meetings held by approximately July 31, 2009. Thus, the CAISO intends to seek authority from the FERC to extend the duration of the Initial Queue Cluster Window from November 28, 2008 to July 31, 2009 to coincide with the conclusion of the GIPR Transition Group Study and to suspend the obligation to perform Interconnection Feasibility Studies and other LGIP activities. This latter request is being made with the expectation that Interconnection Requests submitted in the Initial Queue Cluster Window will be processed in accordance with the rules proposed by the CAISO in the GIPR and approved by FERC for inclusion in the CAISO Tariff.
3. Matters Relating to the GIPR Transition Cluster Study

The CAISO intends to seek FERC approval to process all valid Interconnection Requests received prior to the commencement of the Initial Queue Cluster Window either as part of the GIPR Transition Cluster Study or the “Serial Study Group,” which will be permitted to continue under the study provisions of the current LGIP. Although the precise factor(s) the CAISO proposes to use to divide those Interconnection Requests assigned to the Serial Study Group from those in the GIPR Transition Cluster Study remains under consideration, all Interconnection Requests received after the date of this Market Notice and prior to June 2, 2008 will be proposed for inclusion in the GIPR Transition Cluster Study.

The CAISO also intends to seek FERC approval to temporarily suspend performance of all Interconnection Studies for Interconnection Requests in the GIPR Transition Cluster Study until FERC has issued a decision on the GIPR proposal. At this time, the CAISO anticipates filing the GIPR proposal in early June 2008.