

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

Southern California Edison Company

Docket No. ER11-2977-000

**INTERVENTION AND COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“ISO”) respectfully moves to intervene and file comments in this docket, through which Southern California Edison Company (“SCE”) seeks to amend its Wholesale Distribution Open Access Tariff (“WDAT”) to revise its generator interconnection procedures pertaining to its Distribution System.¹

I. BACKGROUND INFORMATION RELATING TO SCE’S AMENDMENT FILING

On March 1, 2011 SCE filed its amendment to its WDAT, which the Commission designated as Docket No. ER11-2997-000 (“Amendment Filing”). As stated in SCE’s transmittal letter, SCE intends the amendments to address and resolve certain ongoing problems which SCE has encountered in connecting small generators (20 MW or less) to its Distribution System and also to harmonize SCE’s interconnection processes with the newly established ISO Generation Interconnection Procedures (GIP) which the

¹ The ISO makes its request pursuant to Rules 211 through 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.211, 385.212, 385.213, and 385.214 (2010) and the Combined Notice of Filings dated March 1, 2011. The ISO is sometimes referred to as the “CAISO,” including within SCE’s Amendment filing.

Commission approved December 16, 2010, and which became effective December 19, 2010.²

II. COMMUNICATIONS

The ISO requests that all communications and notices concerning this motion and these proceedings be provided to:

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III. MOTION TO INTERVENE

The ISO is a non-profit public benefit corporation organized under the laws of the State of California, with a principal place of business at 250 Outcropping Way, Folsom, CA 95630. The ISO is the Balancing Authority Area operator responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities, including Pacific Gas & Electric Co., SCE, San Diego Gas & Electric Co., the Cities of Vernon, Pasadena, Anaheim, Azusa, Banning, and Riverside, California, of Atlantic Path 15, LLC and Startrans IO, L.L.C. and, with regard to the Path 15 transmission lines in California, the Western Area Power Administration, Sierra Nevada

² SCE's Transmittal Letter at pp. 3 and 4; The ISO's GIP was accepted by the Commission's December 16, 2010 *Order Conditionally Accepting Tariff Revisions*, 133 FERC ¶ 61,223 in Docket No. ER11-1830, accessible on the ISO's website at <http://www.caiso.com/286e/286eae8221bd0.pdf>. The ISO's GIP is Appendix Y of the ISO Tariff and is accessible on the ISO's website at <http://www.caiso.com/2872/2872862b51c40.pdf>.

Region. As the Balancing Authority, the ISO coordinates the ancillary services and electricity markets within its Balancing Authority Area.

The ISO operates under the terms of the ISO Tariff, which is on file with the Commission. A component of that tariff is the Generator Interconnection Procedures (“GIP”) mentioned above. As noted within SCE’s filing, there is an interrelation of activities with respect to SCE’s processing of its Distribution System interconnection requests under SCE’s procedures that are the subject of these proceedings and the ISO’s GIP. By way of example, GIP Section 8.3 provides that SCE interconnection customers can obtain an ISO determination as to what (if any) Delivery Network Upgrades to the ISO-Controlled Grid are required to allow the SCE interconnection customer’s generation facility to be deliverable to the aggregate of Load on the ISO-Controlled Grid. Accordingly, these GIP tariff provisions, together with SCE procedures, provide for the ISO to conduct activities in furtherance of SCE’s interconnection processes. As such, the ISO has an interest in these proceedings, and no other party can adequately represent the interests of the ISO in these proceedings.

IV. COMMENTS

The ISO agrees with SCE that amendment of SCE’s WDAT interconnection procedures is necessary for three primary reasons: (1) in order to address the dramatic increase in the number of small generators seeking to interconnect to SCE’s Distribution system; (2) in order to address the study interdependency problem between large generator interconnection requests (“IRs”) (which SCE currently studies in a cluster) and small IRs that have been studied serially; and (3) in order that SCE may structure

its interconnection procedures to harmonize with the ISO's GIP procedures, particularly with respect to parallel study work done, primarily in the Phase I interconnection study efforts, and the interdependent ISO-Participating TO deliverability assessment work done for SCE WDAT IRs seeking deliverability to the aggregate of Load on the ISO-Controlled Grid.

SCE correctly points out that the increasing number of small generator IRs was one of the reasons prompting the ISO to determine that the ISO needed to revise its interconnection process. With regard to the increasing number of IRs received by SCE, ISO acknowledges that the increase for SCE has been even more dramatic than that experienced by the ISO.³

With respect to the "study interdependency problem"⁴, the ISO concurs with SCE that, because SCE's proposal follows the combined cluster study proposal of the ISO's GIP, the Commission's reasoning for approving the ISO GIP approach should also apply to SCE's proposal.⁵

Thirdly, the ISO agrees that it is important for SCE's WDAT interconnection procedures to be harmonized with the ISO's GIP process, with respect to such things as the timing queue cluster windows and study cycles, particularly since the WDAT

³ SCE's Transmittal letter at pp 7-8. In particular, in footnote no. 7, SCE notes that it has even more small generator IRs in its WDAT queue than the ISO did when the ISO made its GIP filing (224 for SCE versus 180 for the ISO).

⁴ SCE's Transmittal Letter describes the problem (which the ISO faced before the GIP) as follows:

If a Small Generator is electrically interrelated to a Large Generator in a cluster study, and that cluster study is not yet complete and the base case updated, then it is impossible to fully understand what, if any, upgrades will be required to interconnect the Small Generator until the ...[large] cluster study has been completed. Consequently, SCE must make the choice ... either to delay the Small Generator study until the ... [large] cluster study is complete, or to provide the Small Generator with the study results that are uncertain and possibly subject to later revisions to accommodate the completed ... [large] base case. (SCE Transmittal letter at p. 10.)

⁵ SCE's Transmittal Letter at p.11.

procedures and ISO's GIP procedures provide for the Participating TOs (as distribution providers) and the ISO to undertake parallel and sometimes interrelated activities.

In reviewing the specifics of SCE's proposed tariff provisions, the ISO is supportive of the Amendment Filing, though with the following additional notations:

1. On initial review, the ISO saw a potential for concern with SCE's modification of WDAT Section 3.2.3.1 [*Roles and Responsibilities*], but the ISO has resolved this concern through communication with SCE. In Section 3.2.3.1, SCE's proposal makes the following change:

The ISO may perform portions of the ~~Phase I Interconnection Study, Phase II Interconnection Study~~ Studies and Deliverability Assessments related to the analysis of impacts on and upgrades required to, the ISO Grid.

The ISO does not read this language change to create any substantive change that enlarges the responsibility of ISO to provide input or work under the revised procedures with respect to reliability issues. Prior to filing these comments, the ISO contacted SCE and communicated its concerns, and SCE has confirmed to the ISO that the language is not intended to enlarge the responsibility of the ISO or change the historical ISO-Participating TO interaction between the ISO and SCE.⁶ This communication has allayed the ISO's concern regarding this section.⁷

⁶ March 2, 2011, 5:00 pm PDT telephone conversation between Gary Holdsworth, Southern California Edison and ISO counsel Bill Di Capo.

⁷ The ISO also offers the following minor correction points relating to details of ISO's GIP Assessment options, as they are discussed in SCE's attached testimony of Gary Holdsworth (Exh SCE-1 to SCE's filing)

In the first bullet point at page 45, lines 10-14, Mr. Holdsworth refers to the ability for Large Generator previously studied as Energy Only to take advantage of a one-time Deliverability assessment. This Deliverability option is contained in Section 8.1 of the GIP. As stated in Section 8.1, these customers must pay a study deposit for the Deliverability Assessment, and this Deliverability option will cover more than just existing/available transmission capacity. The study will identify any delivery network upgrades necessary for full capacity status, and the customer will be required to fund such delivery network upgrades under normal GIP procedures. Moreover, to clarify, the ISO notes that the one-time

2. The ISO does not take a position on those portions of SCE's Amendment Filing where, SCE's GIP has departed from the ISO's GIP, as SCE's witness Gary Holdsworth has outlined at pages 15-16 of his testimony, and which Mr. Holdsworth explains are due to differences between the ISO-Controlled Grid and SCE's Distribution System.⁸ These differences, highlighted in bulleted form in the testimony, include maintaining SCE's fast track process at the 2 MW level, and the extension of SCE's independence test to include a circuit test in SCE GIP Section 5.5. The ISO has not formulated an opinion on these issues of concern to the Distribution System.

3. The ISO does have an opinion with respect to proposed SCE GIP Section 5.5.1 [*The ISO's Determination of Electrical Independence for the ISO Grid*], which provides for the ISO's input into SCE's electrical independence evaluation. In this regard, the ISO suggests an initial consultation between SCE and the ISO in conjunction with SCE's exercise of engineering judgment as to whether the independent study process request might require or contribute to the need for Network Upgrades to the ISO-Controlled Grid. This consultation could save time and would inform SCE's determination, should the ISO be have an opinion of "no impact" driving Network Upgrades to the ISO-Controlled Grid without having to actually run the formal studies. In this regard, the ISO suggests the following change to SCE's Proposed Section 5.5.1

deliverability option is only available to those interconnection customers who were studied as energy only as of December 19, 2011, the effective date of the ISO GIP.

In the second bullet at page 45, lines 15-19, reference is made to the annual deliverability option for customers to be studied for full capacity deliverability status for a 10,000 study fee. This option is governed by Section 8.2 of the GIP. The ISO does not conduct this study work during the Phase I and Phase II studies, but, rather after Phase II studies in an annual deliverability analysis.

⁸ Exh SCE-1, Testimony of Gary Holdsworth at pp-15-16 in answer to the question "Are there any differences between SCE's GIP proposal and the CAISO GIP reform?"

If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering judgment of the Distribution Provider in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO perform the incremental power flow...

The ISO notes that the rest of this sentence of proposed Section 5.5.1 implies that the ISO performs short circuit duty tests under ISO GIP Section 4.2, when in fact the short circuit duty tests are performed by the Participating TO. Therefore, the ISO suggests that it may be more accurate to delete the reference to short circuit duty as follows:

... and aggregate power flow, ~~and short circuit duty~~ tests as set forth in Section 4.2 of Appendix Y to the ISO Tariff.

Finally, as to the effective date requested by SCE, the ISO concurs with SCE that it is important that SCE's Amendment Filing be made effective no later than March 31, so that the ISO can include its part of the work related to deliverability requests from SCE's interconnection requests in the ISO's next Deliverability Study cycle, which is scheduled to begin in the second quarter of 2011. SCE has requested March 2, and the ISO has no objection to the Commission setting this effective date.

V. CONCLUSION

As indicated by the foregoing, the ISO supports SCE's tariff provisions submitted in the March 1, 2011 filings and SCE's request that the Commission accept the proposed provisions and a proposed effective date no later than March 31, 2011.

Respectfully submitted,
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Dated: March 22, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned docket, in accordance with the requirements of Rule 2010 of the Commission Rules of Practice and Procedure (18 C.F.R. §385.2010).

Dated this 22nd day of March, 2011 at Folsom, California.

/s/ Anna Pascuzzo
Anna Pascuzzo