

177 FERC ¶ 61,093  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

November 15, 2021

In Reply Refer To:  
California Independent System  
Operator Corporation  
Docket No. ER21-2898-000

California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Attention: William S. Weaver

Dear Mr. Weaver:

1. On September 16, 2021, the California Independent System Operator Corporation (CAISO) submitted, pursuant to section 205 of the Federal Power Act,<sup>1</sup> and part 35 of the Commission's regulations,<sup>2</sup> a non-conforming first amendment (Amendment) to a Large Generator Interconnection Agreement (Amended LGIA) among Pacific Gas and Electric Company (PG&E), CAISO, and Calpine Greenleaf Holdings, Inc. (Calpine). The Amendment addresses the repowered interconnection of two mobile, modular gas turbine generators at Calpine's existing Greenleaf 1 site in Yuba City, California.<sup>3</sup> As discussed below, we accept the Amended LGIA, effective September 17, 2021, as requested.

2. CAISO states that Calpine, PG&E, and CAISO entered into an LGIA, dated November 30, 2011 (Original LGIA), pursuant to which the interconnection of the 49.2 MW Greenleaf 1 generating units was converted from California Public Utilities Commission-jurisdictional service to Commission-jurisdictional service under the

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. § 35.1 (2020).

<sup>3</sup> California Independent System Operator Corporation, FERC FPA Electric Tariff, CAISO Non-Conforming Service Agreements, Service Agreement 2382, LGIA A1 for Greenleaf, 0.0.0.

CAISO tariff. CAISO states that Calpine recently mothballed the Greenleaf 1 generating units to repower them in the future.<sup>4</sup>

3. CAISO states that, on July 30, 2021, California Governor Gavin Newsom issued an emergency proclamation authorizing various measures to mitigate the strain on California's energy grid.<sup>5</sup> CAISO explains that these measures enabled the California Energy Commission and California Department of Water Resources (CDWR) to begin deploying across the state a number of mobile, modular gas turbine generators, each with a generating capacity of 30 MW. CAISO states that CDWR, in consultation with CAISO, identified Calpine's existing Greenleaf 1 energy center as a viable location for short-term interconnection of two emergency generating units totaling 60 MW of generating capacity.<sup>6</sup>

4. In order to interconnect these emergency generating units, CAISO states that Calpine submitted a repowering request pursuant to section 25.5 of the CAISO tariff and Article 5.19 of the Original LGIA.<sup>7</sup> CAISO approved the repowering request up to the existing interconnection service capacity of 49.2 MW. CAISO explains that, because the previous Greenleaf 1 generating units were gas-fired and the new generating units will be gas-fired, there is no substantial change to electrical characteristics. On August 24, 2021, CAISO filed with the Commission a petition for a tariff waiver to increase the interconnection service capacity at the site by 10.8 MW on an expedited basis to accommodate the new generating units' full 60 MW of generating capacity. On September 15, 2021, the Commission granted CAISO's petition.<sup>8</sup> CAISO states that,

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<sup>4</sup> Transmittal at 2.

<sup>5</sup> On May 12, 2021, CAISO published its 2021 Summer Loads and Resources Assessment, which identified potential challenges in meeting demand during extreme heat waves that would be exacerbated by a second year of lower-than-normal hydropower capability and an increased possibility of extreme weather events. 2021 Summer Loads and Resource Assessment, *California ISO*, (May 2021), [www.caiso.com/Documents/2021-Summer-Loads-and-Resources-Assessment.pdf](http://www.caiso.com/Documents/2021-Summer-Loads-and-Resources-Assessment.pdf).

<sup>6</sup> Transmittal at 3.

<sup>7</sup> Repowering refers to modifications to existing generating facilities that do not increase the interconnection service capacity or substantially change the electrical characteristics of the generating facility, which would require an interconnection request under section 25.1 of the CAISO tariff. *Id.* at 3.

<sup>8</sup> *California Independent System Operator Corp.*, 176 FERC ¶ 61,159 (2021) (Waiver Order).

with the approval of the repowering request and CAISO's petition for waiver, CDWR and Calpine installed two new generating units at the former Greenleaf 1 energy center.<sup>9</sup>

5. According to CAISO, the Amended LGIA reflects: (1) the change from the original generating units to the new generating units and corresponding technical changes and interconnection costs at the site; (2) the adoption of current *pro forma* LGIA language in several LGIA provisions;<sup>10</sup> and (3) the unique financing and limited operation of the generating units pursuant to the California Governor's emergency proclamation.<sup>11</sup>

6. CAISO explains that the Amended LGIA reflects two principal non-conforming revisions.<sup>12</sup> First, CAISO states that proposed Article Four of the Amendment describes the temporary nature of the Amendment and sunsets after three years consistent with the Commission's Waiver Order, which granted a tariff waiver to increase the interconnection service capacity at the former Greenleaf 1 energy center by 10.8 MW on an expedited basis to accommodate the new generating units' full 60 MW of generating capacity.<sup>13</sup> After the three-year term expires, CAISO states that the terms of the Amended LGIA will revert to those of the Original LGIA.<sup>14</sup> Second, CAISO states that proposed Article A.4 of the Amended LGIA provides that PG&E has no obligation to provide reimbursement for network upgrade costs. CAISO explains that, because the network upgrades and interconnection facilities are limited to support the emergency use of the generating units pursuant to the Governor's proclamation, the state of California has assumed the costs of the interconnection, including associated network upgrades. Because the participating transmission owner has no refund obligation pursuant to proposed Article A.4 of the Amended LGIA, CAISO states that the *pro forma* provisions of Article 11 of the LGIA and section 14 of Appendix DD to the CAISO tariff that

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<sup>9</sup> Transmittal at 3.

<sup>10</sup> CAISO proposes revisions to articles 5.16, 5.19, 9.6, 13.5, and 18.3 of the LGIA to reflect updates to current *pro forma* language. *Id.* at 4.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> CAISO states that the parties also include the clarifying term "aggregate" in article 18.3.2 as a non-conforming term for transparency, even though this term now appears in the *pro forma* text of the current CAISO LGIA, appendix EE to the CAISO tariff. *Id.* n.14.

<sup>13</sup> *Id.* at 4 (citing Waiver Order, 176 FERC ¶ 61,159 at P 28).

<sup>14</sup> CAISO notes that, although this article does not revise *pro forma* provisions, it included it for transparency because LGIAs generally have an indefinite term. *Id.* at 4.

typically provide for the participating transmission owner's reimbursement of network upgrade costs are moot.<sup>15</sup>

7. CAISO requests waiver of the Commission's 60-day prior notice requirements in order for the Amended LGIA to become effective September 17, 2021, one day after filing. CAISO states that there is good cause to grant waiver because the Amended LGIA only accounts for changes to an existing generating facility site, and the units were synchronized on September 17, 2021, to address potential capacity shortfalls in the CAISO balancing authority area.<sup>16</sup>

8. Notice of CAISO's filing was published in the *Federal Register*, 86 Fed. Reg. 52,894 (Sept. 23, 2021), with interventions and protests due on or before October 7, 2021. Timely motions to intervene were filed by Calpine Corporation and CDWR. No protests were filed.

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2020), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

10. We find that the Amended LGIA is just and reasonable and not unduly discriminatory or preferential. The Commission has recognized that non-conforming agreements may be necessary for interconnections with specific reliability concerns, novel legal issues, or other unique factors.<sup>17</sup> We find that the proposed non-conforming provisions identified here are necessary to reflect the unique circumstances of the repowering at Calpine's Greenleaf 1 site, including the state of California's assumption of the costs of the interconnection and the temporary nature of the 10.8 MW increase in interconnection capacity, as described above.

11. We also find that the Amended LGIA is consistent with the Waiver Order, in which the Commission stated that it expected "the limitations of this waiver to be transparently memorialized in the forthcoming revisions to the [LGIA] between Calpine, CAISO, and PG&E that CAISO states will be amended following Commission action on this request."<sup>18</sup> The Commission stated that such revisions could reflect, among other things, that "rights to the 10.8 MW of incremental interconnection capacity terminate

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<sup>15</sup> *Id.* at 4-5.

<sup>16</sup> *Id.* at 2.

<sup>17</sup> See, e.g., *Sw. Power Pool, Inc.*, 172 FERC ¶ 61,170, at P 22 (2020); *Midcontinent Indep. Sys. Operator, Inc.*, 155 FERC ¶ 61,211, at P 18 (2016).

<sup>18</sup> Waiver Order, 176 FERC ¶ 61,159 at P 28.

three years from the date of [the Waiver Order].”<sup>19</sup> We find that the Amended LGIA appropriately reflects the limitations set forth in the Waiver Order, specifically the expiration of the additional 10.8 MW of interconnection capacity after a three-year period.

12. We grant CAISO’s request for waiver of the 60-day prior notice requirement for good cause shown and accept the Amended LGIA, effective September 17, 2021, as requested.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>19</sup> *Id.*