

141 FERC ¶ 61,132
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

California Independent System
Operator Corporation

Docket No. ER12-2643-000

ORDER ON TARIFF REVISIONS

(Issued November 16, 2012)

1. On September 18, 2012, the California Independent System Operator Corporation (CAISO) filed proposed tariff revisions to establish a streamlined process for providing resource adequacy deliverability status¹ to distributed generation (DG) resources² from transmission capacity identified in CAISO's annual transmission plan. According to CAISO, the new process will involve a new deliverability study and will identify transmission capable of supporting deliverability status for DG resources without requiring any additional delivery network upgrades to the CAISO-controlled grid and without adversely affecting the deliverability status of existing generation resources or proposed generation in CAISO's interconnection queue. This order conditionally accepts CAISO's proposed tariff revisions, effective November 18, 2012, as requested, subject to the submission of a compliance filing modifying CAISO's proposal as directed herein.

¹ Deliverability status requires that a generator be able to deliver its output to the aggregate load on CAISO's system under peak load conditions.

² For purposes of this proceeding, distributed generation resources include only those generation resources connected to utility distribution systems, without regard to size or resource type. CAISO transmittal letter at 1-2 and footnote 2. California's investor owned utilities offer interconnection service through their Commission approved wholesale distribution access tariffs (WDAT). Interconnection requests through WDATs can and do have network impacts affecting the CAISO-controlled grid. As a result, the study processes for WDAT interconnections are coordinated with CAISO's interconnection process to achieve the greatest level of efficiency in interconnection to both systems. *See Southern California Edison Company*, 135 FERC ¶ 61,093, at P 2 (2011).

I. Background

2. In order for a resource to be eligible to provide resource adequacy service under CAISO's tariff, a resource must request and obtain deliverability status as part of the interconnection process. Under CAISO's present tariff, the manner in which resources obtain deliverability status is by means of deliverability studies performed by CAISO during the interconnection process. CAISO's deliverability studies establish whether existing transmission capacity can support the requested deliverability status³ of resources in CAISO's interconnection queue within a given interconnection queue cluster. If existing capacity is not sufficient, CAISO's deliverability studies identify necessary delivery network upgrades to CAISO's grid to provide the requested deliverability status.

3. According to CAISO, the current deliverability study process provides an exclusive means for interconnecting generation resources to obtain deliverability status and, therefore, qualify to provide resource adequacy service to load-serving entities over the CAISO-controlled grid. CAISO points out that California has identified a goal to develop 12,000 MW of renewable generation capacity within the electricity generation grid by 2020.⁴

4. CAISO further states that, although it begins a new interconnection study cycle each year for a new cluster of interconnection requests, the two phases of the interconnection process take roughly two years to identify any delivery network upgrades necessary to provide the requested deliverability status to generation resources in each cluster.⁵ This two year process applies to interconnection resources seeking interconnection directly to the utility distribution system under their wholesale distribution access tariffs; under CAISO's current tariff there is no process by which deliverability status can be obtained for generation resources interconnecting under the California Public Utilities Commission's (CPUC) jurisdictional interconnection process, known as Rule 21.⁶

³ Interconnecting generation resources may request full deliverability status, which is a request for deliverability for the maximum megawatt (MW) output that a generation resource is able to provide, or partial capacity deliverability status, which is a request for a specific portion of the resource's maximum MW output. A resource that does not seek either full or partial capacity deliverability status is said to have energy-only deliverability status and does not qualify for payment as a resource adequacy resource.

⁴ CAISO Transmittal Letter at 2.

⁵ *Id.* at 6.

⁶ *Id.* at 4.

5. CAISO states that it filed the tariff revisions in this docket in order to establish an annual process that will enable DG resources to seek and obtain deliverability status earlier than would ordinarily be possible through the normal interconnection process. According to CAISO, the amount of deliverability status available under the procedures established by these tariff revisions will be limited by the amount of deliverability status that the CAISO grid can support without additional delivery network upgrades.

6. CAISO proposes to establish a new process to identify in the transmission planning process existing transmission capacity to support deliverability status. CAISO's proposal envisions the identified transmission deliverability capacity to be assigned to DG resources through a process and criteria to be developed by local regulatory authorities for their load-serving entities.

II. CAISO's Filing

7. CAISO describes its new process as encompassing two steps. First, CAISO will perform a study to determine the MW amounts of deliverability status that are available for DG resources at specific network nodes on the CAISO-controlled grid without adding additional network upgrades and without adversely affecting the deliverability status of existing generation or the deliverability status of proposed generation in CAISO's interconnection queue (DG Deliverability Study). The second phase of the process involves CAISO apportioning the use of the identified MW of deliverability status to the local regulatory authorities that oversee procurement by their regulated load-serving entities. CAISO envisions the local regulatory authorities assigning deliverability status to specific DG resources.⁷

8. CAISO explains that the proposed tariff revisions are designed to align with its existing transmission planning and interconnection processes. First, CAISO states that in constructing the network model to be used for the DG Deliverability Study, CAISO will model the existing transmission system plus new additions and upgrades approved in prior transmission planning process cycles. In addition, the modeling will include existing generation and certain new generation in CAISO's interconnection queue, including associated upgrades. CAISO argues that these features will ensure that nodal quantities of deliverability resulting from the study can be apportioned to local regulatory authorities without triggering additional delivery network upgrades or allowing deliverability from the DG Deliverability Study to be used to "jump" other generation resources in CAISO's interconnection queue.⁸

9. Second, CAISO asserts that the proposed tariff revisions align with its transmission planning process by utilizing, both as a minimal target level and as a

⁷ *Id.*

⁸ *Id.* at 9.

maximum amount, the nodal DG quantities specified in the base case resource portfolio in CAISO's latest transmission planning process cycle relating to policy-driven transmission needs. According to CAISO, this feature will ensure that the DG Deliverability Study aligns with the public policy objectives of its transmission planning process.⁹

A. The DG Deliverability Study

10. CAISO explains that in each cycle the transmission planning process identifies nodal DG quantities that are incremental to any DG that is already in operation at each location. Thus, the nodal target quantities identified in the DG Deliverability Study will be at least as large as the nodal DG quantities in the base case resource portfolio used for identifying public policy-driven transmission upgrades.¹⁰

11. According to CAISO, modeling the entire amount of nodal target quantities could result in a finding that some grid areas are unable to support simultaneous dispatch of all the modeled resources without exceeding system operating limits. In that event, CAISO proposes to reduce the target DG quantities at affected nodes using a least squares algorithm to determine the amount of the reduction. CAISO argues that the use of such an algorithmic method for reduction yields a reduction that is fair and equitable, as compared to applying the entire needed reduction to only the one or two most affected nodes.¹¹

12. CAISO explains that the base model to assess the target DG quantities for the DG Deliverability Study will start with the most recent generation interconnection cluster's phase 2 deliverability power flow base case. To that base case, CAISO will add generation projects that have obtained deliverability under its current generator interconnection procedures' full capacity deliverability option and any transmission additions and upgrades approved in CAISO's most recent transmission planning process cycle. In addition, the base model will include any generation projects in the most recent phase 1 study found to be fully deliverable without any delivery network upgrades.¹²

13. Additionally, CAISO states that it plans to remove any nodes identified as needing delivery upgrades in the most recent phase 1 or phase 2 studies and other nodes in which

⁹ *Id.*

¹⁰ CAISO notes that the DG Deliverability Study may assess deliverability for larger nodal target quantities, but indicates that such study would be for informational purposes only. *Id.* at 12.

¹¹ *Id.* at 14-15.

¹² *Id.* at 16.

delivery network upgrades were identified in earlier studies. As a final step in identifying available capacity, CAISO will add DG amounts identified in the base case, as adjusted to comply with California's 33 percent renewable portfolio goal and consider DG targets and plans of local regulatory authorities that are not jurisdictional to the CPUC.¹³

14. Upon completion of the DG Deliverability Study, CAISO states that it will provide the results in the form of a table listing all network nodes with available MW amounts of deliverability for DG. The table will provide the MW amount of DG deliverability available at each node and the amount available to be apportioned to local regulatory authorities.¹⁴

B. Apportionment of Available DG Deliverability

15. CAISO states it will apportion the identified MW of DG Deliverability among local regulatory authorities using a sequential process. The first step in that process requires a determination of each local regulatory authority's apportioned share of the total system MW of available DG Deliverability and each load-serving entity's initial share of nodal MW for nodes at which load-serving entities for more than one local regulatory authority serve load.¹⁵

16. CAISO explains that it will apportion identified DG Deliverability among local regulatory authorities using the local regulatory authority's share of the system peak load forecast. For system nodes where load-serving entities for more than one local regulatory authority serve, CAISO will determine each local regulatory authority's share based on the share of system peak load of each load-serving entity.¹⁶

17. Following the initial apportionment, CAISO will notify each local regulatory authority and allow local regulatory authorities to transfer a portion of their system-wide identified DG deliverability or nodal share to another local regulatory authority, subject only to notifying CAISO of any such transfers.¹⁷

18. CAISO explains that its process for final apportionment of available DG deliverability will involve three rounds of nominations by local regulatory authorities. In each round of nominations, each local regulatory authority will be limited to nominating

¹³ *Id.* at 17.

¹⁴ *Id.* at 18.

¹⁵ *Id.* at 19.

¹⁶ *Id.*

¹⁷ *Id.* at 20.

an amount that does not exceed its share of total system DG availability and in the first round its nodal nomination will be limited to the local regulatory authority's share of nodal capacity where load-serving entities subject to more than one local regulatory authority serve. CAISO states that it will validate nominations and approve all nominations meeting these requirements during each round of nominations.¹⁸

19. CAISO further explains that it has devised additional considerations to enable small local regulatory authorities whose load-serving entities only serve at one or two nodes to be able to utilize the entirety of the local regulatory authorities' full system-wide available DG deliverability.

20. CAISO proposes a formula for use to maximize the ability of small local regulatory authorities to utilize their full system-wide DG deliverability despite having only one or a few nodes at which load-serving entities provide service. In the situation where multiple load-serving entities are sharing service at a node which is also served by a small local regulatory authority's load-serving entity, the formula would allow the small local regulatory authority's load-serving entity to utilize the greater of (a) the nodal share calculated amount or (b) the minimum of the nodal DG deliverability available [or] the system-wide share of system-wide DG deliverability available. CAISO argues that this formula will allow the load-serving entity serving in the smaller local regulatory authority's area a maximum opportunity to utilize available DG deliverability, while the larger load-serving entity will have many other nodes at which it can utilize any foregone available DG deliverability.¹⁹

21. CAISO states that in the second round of nominations local regulatory authorities will be allowed to nominate at nodes where their load-serving entities do not have load or even at no-load nodes. CAISO validation will serve to ensure that local regulatory authorities' total nominations do not exceed their share of system-wide available DG deliverability. If multiple local regulatory authorities nominate at a load-free node, the available DG deliverability will be apportioned by share of system-wide available DG deliverability. A third round of nominations is provided in the event any available DG deliverability exists at the end of the second round.²⁰

22. According to CAISO, the annual process for assigning available DG deliverability will commence in March of each year when CAISO will determine both system-wide and nodal available DG deliverability for each local regulatory authority. The process is

¹⁸ *Id.* at 20-22.

¹⁹ *Id.* at 21.

²⁰ *Id.* at 22.

expected to conclude by the end of July each year with assignment from a possible third round of nominations.²¹

23. CAISO goes on to state that before each annual DG Deliverability Study (i.e., by approximately October 15 each year), local regulatory authorities are required to report to CAISO on the assignment of deliverability status by load-serving entities to specific generation projects. CAISO states that the assignment of deliverability status to a specific DG resource will correspond to an actual resource production level appropriate to the qualifying capacity determination for that resource type.²²

24. According to CAISO, once the assignment of available DG deliverability to a DG resource has occurred and the resource achieves commercial operation, the resource adequacy deliverability status becomes an attribute of the resource and is not transferable by either the local regulatory authority or load-serving entity to a different DG project.²³

25. Prior to a DG resource achieving commercial operation, CAISO states that the local regulatory authority will have flexibility to establish retention criteria. According to CAISO, the retention criteria should provide a transparent process by which assigned deliverability can be revoked if a DG resource is not making satisfactory progress towards achieving commercial operation or otherwise fails to meet the local regulatory authority's criteria.²⁴

26. CAISO states that it will require local regulatory authorities to provide descriptions of their retention criteria for posting on CAISO's website and report any reassignments or revocations to CAISO.²⁵

27. Any unused available DG deliverability existing at each node at the conclusion of the annual process will be retained for assignment for one additional cycle of the DG Deliverability Study process.²⁶

²¹ *Id.* at 23-24.

²² *Id.* at 24.

²³ *Id.* at 25.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 25-26.

III. Notice of Filing and Responsive Pleadings

28. Notice of CAISO's filing was published in the *Federal Register*, 77 Fed. Reg. 58,986 (2012), with interventions, comments, and protests due on or before October 9, 2012.

29. The Modesto Irrigation District, California Municipal Utilities Association, NRG Companies, and the City of Santa Clara, California filed timely motions to intervene. Southern California Edison Company (SoCal Edison), Northern California Power Agency (NCPA), San Diego Gas & Electric Company, California Department of Water Resources State Water Project, and the Cities of Anaheim, Azusa, Banning, Colton, Pasadena and Riverside, California (Six Cities) filed motions to intervene and comments. Pacific Gas and Electric Company (PG&E) filed a motion to intervene out-of-time. The CPUC filed a motion to intervene out of time and comments. CAISO filed an answer to the motions to intervene and comments.

IV. Discussion

A. Procedural Matters

30. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2012), the Commission will grant the late-filed motions to intervene of PG&E and the CPUC, given their interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

B. Substantive Matters

1. Parties' Comments

31. NCPA generally supports CAISO's proposed tariff revisions. NCPA's support is conditioned on its understanding that the proposal will give local regulatory authorities, in addition to the CPUC, an equitable opportunity to participate in and benefit from the resource adequacy deliverability status that is provided to DG resources under CAISO's proposal.²⁷

32. Six Cities support CAISO's proposed tariff revisions, subject to a limited modification. Six Cities particularly endorse the process proposed by CAISO for allocating available DG deliverability at specific nodes where more than one local regulatory authority serves load. Six Cities note that CAISO's proposed allocation

²⁷ NCPA Comments at 3.

process includes an adjustment that will increase the amount of available DG deliverability allocated to small local regulatory authorities serving load at only one or a limited number of nodes.

33. Six Cities argues that CAISO's proposed tariff language is not consistent with the intent of CAISO's mechanism to increase the available DG deliverability assigned to small local regulatory authorities. In particular, Six Cities argues that the language proposed by CAISO in tariff § 40.4.6.3.2.1 addresses only a situation where a small local regulatory authority serves a single node, not the situation in which a small local regulatory authority serves at a few nodes. According to Six Cities, CAISO's proposed tariff language should be amended to include a reference to local regulatory authorities serving at a few nodes, in order to comply with CAISO's stated intent.²⁸

34. SoCal Edison generally supports CAISO's proposed tariff revisions. However, SoCal Edison argues that the available DG deliverability should be allocated to load-serving entities, rather than to local regulatory authorities for assignment to specific DG resources.

35. SoCal Edison argues that load-serving entities are best positioned to determine how to use available DG deliverability and that allocating available DG deliverability to load-serving entities is a more efficient and streamlined process than CAISO's proposal.²⁹ SoCal Edison further argues that load-serving entities are better positioned to manage the retention of deliverability because they have a direct overview of projects seeking to interconnect to the distribution system.³⁰

36. SoCal Edison argues that the assignment of available DG deliverability is analogous to other rights that are already assigned directly to load-serving entities and should be subject to comparable treatment. SoCal Edison contends that the available DG deliverability that is created under CAISO's proposal should be allocated to load-serving entities in a similar manner to the allocation processes for congestion revenue rights and deliverability rights on interties, each of which is allocated directly to load-serving entities.³¹

37. SoCal Edison further argues that CAISO's proposed tariff revisions create what SoCal Edison calls a deliverability "right." According to SoCal Edison, the deliverability right is made possible by the transmission grid, which SoCal Edison argues is funded by

²⁸ Six Cities Comments at 4-5.

²⁹ SoCal Edison comments at 3-4.

³⁰ *Id.* at 5.

³¹ *Id.* at 5-6.

load-serving entities. SoCal Edison argues that CAISO's proposal amounts to allocating a market-based property right to a non-market participant, i.e., local regulatory authorities. SoCal Edison argues that approving CAISO's proposal would constitute an undesirable precedent.³²

38. In support of its arguments, SoCal Edison points out that, contrary to CAISO's assertions, the CPUC does not have a procurement process, nor does it have a timeline to follow in procurement, since procurement is a function of the load-serving entities. SoCal Edison notes that the CPUC does have an influence over the allocation of resource adequacy for DG resources, by virtue of the CPUC setting procurement targets and approval of methods of contracting and evaluation.³³ However, SoCal Edison argues that the load-serving entities' direct involvement in the day-to-day administration and implementation of solicitations and contracts means that load-serving entities are in the best position to manage available deliverability identified through CAISO's process.

39. SoCal Edison further argues that CAISO's proposed assignment of available DG deliverability to local regulatory bodies creates an inefficient process for the transfer of available DG deliverability among the affected parties. SoCal Edison points out that under CAISO's proposed process, a transfer of available DG deliverability would involve negotiations that included both the affected local regulatory authorities and the affected load-serving entities. SoCal Edison argues that such a transfer would be more efficient if the affected load-serving entities were able to accomplish the transfer through bilateral negotiations instead.³⁴

40. The CPUC's comments support adoption of CAISO's proposed tariff revisions. The CPUC's support is based on its view that CAISO's proposal will permit efficient use of transmission capacity.³⁵ The CPUC further notes that CAISO's proposed new deliverability process will aid in long-term planning and procurement in California and support California's attainment of its renewable portfolio goals.³⁶

41. The CPUC also supports CAISO's proposal to assign available DG deliverability to local regulatory authorities, including the CPUC. The CPUC argues that assignment of available DG authority to local regulatory authorities will facilitate its ability to

³² *Id.* at 6.

³³ *Id.* at 3.

³⁴ *Id.* at 4.

³⁵ CPUC Comments at 3.

³⁶ *Id.* at 4.

implement its resource adequacy program³⁷ and because the CPUC can ensure fair and open competition among load-serving entities by developing rules that address issues including market power, load-serving entity discretion and eligibility and retention milestones.³⁸ According to the CPUC, such a process will include proposing and vetting policy-driven concepts, such as a priority order for eligible renewable resources.

2. CAISO's Answer

42. CAISO agrees with Six Cities that its proposed tariff language should be clarified to ensure that local regulatory authorities serving load at relatively few nodes will be able to utilize the entirety of their allocated available DG deliverability. CAISO proposes to revise tariff § 40.4.6.3.2.1 to facilitate the situation.³⁹

43. CAISO disagrees with SoCal Edison's suggestion that available DG deliverability should be assigned directly to load-serving entities, rather than to local regulatory authorities. CAISO argues that the majority of issues relating to the implementation of California's policy requirements regarding renewable energy, as well as the expansion and deployment of DG resources, are regulated by the CPUC and other local regulatory authorities.⁴⁰ As a result, CAISO argues that allocating available DG deliverability directly to load-serving entities would have the effect of complicating the process, rather than streamlining it as suggested by SoCal Edison.

44. CAISO further argues that the allocation of available DG deliverability is not analogous to the other types of rights referenced by SoCal Edison.⁴¹ Specifically, CAISO argues that other rights do not have the same geographic component as the assignment of DG deliverability. As a result, CAISO contends that the geographic pattern of procurement of capacity from DG resources by CPUC-jurisdictional entities is a matter within the jurisdiction of the CPUC and may be driven by local nuances that CAISO is not concerned with and cannot evaluate.⁴²

45. CAISO argues that it should only be concerned with ensuring that non-CPUC jurisdictional local regulatory authorities can obtain available DG deliverability where

³⁷ *Id.* at 8.

³⁸ *Id.* at 10.

³⁹ CAISO Answer at 2-5.

⁴⁰ *Id.* at 6.

⁴¹ *Id.*

⁴² *Id.* at 6-7.

their load-serving entities serve. Beyond that concern, CAISO contends that where multiple load-serving entities are under a single local regulatory authority, locational matters should be left to the local regulatory authority.⁴³

3. Commission Determination

46. The Commission finds that, subject to the compliance filing discussed below, CAISO's proposed tariff revisions provide a new mechanism that will ensure a more efficient and effective use of the existing transmission grid without impeding the open and nondiscriminatory interconnection of new resources. In these circumstances, where all of the DG resources at issue will be interconnecting to the load-serving entities' distribution systems, it is appropriate for CAISO to conduct the study and identify system-wide and locational availability of additional deliverability into the CAISO-controlled grid. As a result, the opportunity for DG resources interconnecting under California's Rule 21 to obtain resource adequacy deliverability benefits all market participants. We find CAISO's proposal to conduct a new deliverability study that will allow maximum usage of existing deliverability to be just and reasonable.

47. The Commission agrees with SoCal Edison that it is appropriate to assign available DG deliverability to load-serving entities, rather than to local regulatory authorities, as proposed by CAISO. The Commission's interconnection rules and policies, as embodied in Order Nos. 2003⁴⁴ and 2006,⁴⁵ are largely predicated on ensuring open access to transmission systems through a fair and open, first-come, first-served process for interconnection. In this setting, we find that using the load-serving entities' existing interconnection processes, through their WDATs, satisfies the requirements for nondiscriminatory interconnection of DG resources. Accordingly, our acceptance of CAISO's proposed tariff revisions is conditioned upon CAISO submitting, within 30 days from the date of this order, revised tariff sheets that assign available DG

⁴³ *Id.* at 7.

⁴⁴ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

⁴⁵ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh'g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

deliverability identified in the new deliverability study to load-serving entities rather than local regulatory authorities.

48. The Commission agrees with SoCal Edison that assignment of available DG deliverability to load-serving entities will result in a more efficient and streamlined process for administration of the additional DG deliverability, and that load-serving entities' day-to-day oversight of new resources means load-serving entities are in a better position than local regulatory authorities to oversee retention and transfer of the deliverability status among projects.

49. By virtue of their ability to set procurement targets, as well as contracting and evaluation procedures, local regulatory authorities retain control over load-serving entities to ensure that resource adequacy requirements are met in an efficient manner that benefits all market participants. The Commission notes that the specific resources to be acquired in order to meet those procurement targets are the responsibility of the load-serving entities. Although the CPUC argues that it can ensure fair and open competition through the implementation of its resource adequacy program, we note that the CPUC is not the only local regulatory authority that would be assigned deliverability under CAISO's proposal, and the CPUC does not have jurisdiction over all load-serving entities. Therefore, we find CAISO's and the CPUC's arguments in support of assignment of available DG deliverability to local regulatory authorities unpersuasive.

50. The Commission remains sensitive to the CPUC's interest in pursuing its resource adequacy program and to achieving California's renewable portfolio goals. However, as noted above, the Commission's interest in maintaining open access through fair and nondiscriminatory interconnection processes dictates the result in this matter. Thus, we find that the CPUC and other local regulatory authorities possess authority over procurement practices, resource adequacy requirements and other regulatory processes to accomplish their policy-driven objectives.

51. The Commission directs that CAISO's compliance filing reflect 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.⁴⁶

52. Finally, our decision to require that the assignment of available DG deliverability be made to load-serving entities renders Six Cities' requested tariff revision moot.

⁴⁶ See, e.g., *id.*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at 31,504.

Docket No. ER12-2643-000

- 14 -

The Commission orders:

(A) CAISO's proposed tariff revisions are conditionally accepted, effective November 18, 2012, as requested, subject to the submission of a compliance filing modifying CAISO's proposal, as discussed in the body of this order.

(B) Accordingly, CAISO is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Document Content(s)

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