

145 FERC ¶ 61,172  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

California Independent System Operator Corporation      Docket No. ER13-2484-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued November 26, 2013)

1. On September 30, 2013, the California Independent System Operator Corporation (CAISO) filed revisions to its open access tariff to improve its ability to administer the queue of generator interconnection projects.<sup>1</sup> Also included in the filing are miscellaneous non-substantive tariff revisions to clarify existing tariff provisions.<sup>2</sup> In this order, the Commission conditionally accepts CAISO's tariff revisions, subject to further modification, effective December 3, 2013, as requested.

**I. Background**

2. CAISO states that improving the administration of its generator interconnection queue has become increasingly important due to the significant increase in the number of new generation projects.<sup>3</sup> In addition, CAISO states that the different project configurations, together with the need for project modifications, present significant administrative challenges and costs. To alleviate these challenges, on April 8, 2013, CAISO started the interconnection process enhancement stakeholder initiative. Based on the results of this initiative, CAISO proposes to implement a series of tariff revisions. In the instant filing, CAISO proposes six queue management changes that have been approved by the CAISO Board of Governors to improve the interconnection process.

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<sup>1</sup> CAISO September 30, 2013 Filing at 1-2 (CAISO Filing).

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

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

CAISO represents that additional topics from the interconnection process enhancement stakeholder initiative will be submitted to the Commission once proposals have been fully vetted and developed.

## **II. Notice, Interventions, and Responsive Pleadings**

3. Notice of CAISO's Filing was published in the *Federal Register*, 78 Fed. Reg. 61,997 (2013) with protests and interventions due on or before October 21, 2013. Timely motions to intervene were filed by California Department of Water Resources State Water Project; Modesto Irrigation District; NRG Power Marketing LLC, GenOn Energy Management, LLC, Cabrillo Power I LLC, Cabrillo Power II LLC, El Segundo Power LLC, NRG Delta LLC, NRG Marsh Landing LLC, NRG California South LP, High Plains Ranch II, LLC, Long Beach Generation LLC, NRG Solar Alpine LLC, NRG Solar Borrego I LLC, NRG Solar Blythe LLC, NRG Solar Roadrunner LLC and Avenal Solar Holdings LLC, collectively NRG Companies; Southern California Edison; The City of Santa Clara, California and M-S-R Public Power Agency; The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, Riverside, California, collectively Six Cities.

4. PG&E filed a timely motion to intervene and comments. PG&E notes that CAISO proposes new "at its option" language in several tariff sections. PG&E asserts that CAISO had agreed during the stakeholder process to remove this language.<sup>4</sup>

5. On October 29, 2013, CAISO filed an answer to PG&E's Comments. CAISO confirms that inclusion of the "at its option" was an oversight and agrees to make a compliance filing to remove the phrase from the relevant portions of the tariff.<sup>5</sup>

## **III. Discussion**

### **A. Procedural Matters**

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

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<sup>4</sup> PG&E October 21, 2013 Comments at 2.

<sup>5</sup> CAISO October 29, 2013 Answer at 2 (CAISO Answer). Specifically, CAISO states that the phrase was included in the proposed revisions to tariff section 25.1.2, section 1.3.4.1. of appendix S, article 3.4.5 of appendix T, section 4.4.3 of appendix U, section 6.9.2.2 of appendix Y, section 6.7.2.2 of appendix DD, and article 3.4.5 of appendix FF.

7. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a comment unless otherwise ordered by the decisional authority. We will accept CAISO's answer because it has provided information that assisted us in our decision-making process.

**B. Proposed Tariff Revisions**

8. CAISO proposes six interconnection queue-management modifications under its tariff that, taken together, are formulated to improve various aspects of the large generator and small generator interconnection processes in order to accommodate the needs of interconnection customers.

9. First, the CAISO tariff provides interconnection customers with the opportunity to request modifications of their project during various stages of the interconnection process. Upon receipt of such request, CAISO evaluates whether the requested modification is “material” in terms of evaluating whether a project can make the modifications and maintain its queue position or whether the modification would require a new interconnection request.<sup>6</sup> Under the existing tariff provisions, the cost of performing this evaluation is accounted for as a general expenditure, which CAISO and other participating transmission owners subsequently pass through to ratepayers. Here, CAISO proposes to require that interconnection customers cover the actual costs of evaluating whether a requested modification is material. CAISO argues that this change is reasonable, as it will allow CAISO to allocate the evaluation cost directly to the interconnection customer.<sup>7</sup>

10. As part of this enhancement, CAISO also proposes to require customers to submit a \$10,000 deposit to cover the cost of the evaluation.<sup>8</sup> If the actual evaluation costs are greater or lesser than the deposit, the interconnection customer will either be billed or refunded. CAISO argues that the \$10,000 deposit is reasonable because it is consistent with the deposit already required by the existing tariff for conducting similar “re-studies” to evaluate the impact of a project modification.

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<sup>6</sup> CAISO Filing at 7.

<sup>7</sup> *Id.* at 7-8.

<sup>8</sup> See CAISO Tariff, Appendix U, §§ 4.4.3, 4.4.6; *id.* at Appendix Y, §§ 6.9.2.2, 6.9.2.3.

11. Second, CAISO proposes to revise the project modification process<sup>9</sup> for small generators so that it parallels the process applicable to large generators.<sup>10</sup> CAISO asserts that it is appropriate for the processes that evaluate modification requests from both small and large generator projects to be consistent, as there is no general difference between the two categories of generator projects with regard to their potential to impact the cost and timing of other interconnection requests. Accordingly, CAISO argues that it is reasonable to extend the large generator project modification provisions to enable small generators to request the same types of project modifications as large generators, including modifications to a project's commercial operation date.<sup>11</sup>

12. Third, CAISO proposes to extend to small generators the existing large generator provisions regarding the maximum length of time that an interconnection request is allowed in the queue.<sup>12</sup> CAISO explains that the existing tariff includes no maximum time limit for small generators because CAISO expected that small generator projects would be developed in a shorter time frame than large generator projects. CAISO suggests, however, that actual development timeframes for small projects and large projects have been similar. CAISO claims that this revision will improve its ability to manage the interconnection queue by ensuring that non-viable projects do not remain in the queue for unreasonably long periods.<sup>13</sup>

13. CAISO's fourth proposed revision to the tariff clarifies that the participating transmission owner, rather than CAISO, will tender the draft generator interconnection agreement to the interconnection customer. CAISO asserts that this approach is reasonable because the participating transmission owners are the entities that possess the cost and scheduling information necessary to complete the draft interconnection agreement.

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<sup>9</sup> See *id.*, Appendix S, §§ 1.3.4, 1.3.4.1, 1.3.4.2; *id.* at Appendix T, § 3.4.5; *id.* at Appendix FF, § 3.4.5.

<sup>10</sup> A small generator is one that has a capacity of 20MW or less. CAISO Tariff, Appendix A, Definitions.

<sup>11</sup> CAISO Filing at 11-12.

<sup>12</sup> Consistent with the large generator provisions, the expected in-service date for small projects in the serial process is ten years from the date of the interconnection request; the limit for small projects in the cluster process will be seven years. *Id.* at 12-13. See also Appendix S, § 1.3.3.

<sup>13</sup> *Id.* at 13.

14. CAISO further proposes to use the study results meeting, rather than the issuance of the study report, as the triggering event for tendering the draft interconnection agreement to the customer. CAISO argues that this approach will give participating transmission owners a reasonable amount of time to incorporate information from meeting into the draft interconnection agreement.<sup>14</sup>

15. Lastly, CAISO proposes to designate itself as the sole party responsible for tendering the final interconnection agreement to the interconnection customer and participating transmission owner. CAISO also proposes to shorten the timeline in which it will tender the final interconnection agreement to the interconnection customer and participating transmission owner from 15-days to 10-days after the receipt of all information. CAISO argues that these revisions will expedite and simplify the interconnection process.<sup>15</sup>

16. In addition to the six interconnection queue-management modifications, CAISO also proposes miscellaneous, non-substantive revisions to clarify the interconnection process by correcting errors, adding detail to clarify existing provisions, making provisions consistent throughout the tariff and the CAISO's business process, and aligning the CAISO's tariff language with the participating transmission owners' tariffs.<sup>16</sup>

### C. Commission Determination

17. We find that the proposed interconnection revisions are just and reasonable because they improve CAISO's ability to administer its interconnection queue more efficiently.

18. We find that it is reasonable for CAISO to require interconnection customers to pay the costs of evaluating requests for project modifications. Based on CAISO's description of the evaluation, we find that the work performed to evaluate a modification request is similar to work performed in connection with other CAISO interconnection studies which, consistent with the Commission's *pro forma* interconnection procedures, are funded by the interconnection customer in the same manner.<sup>17</sup> In addition, the \$10,000 deposit for performing the evaluation is consistent with the deposit already

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<sup>14</sup> *Id.* at 14-15.

<sup>15</sup> *Id.* at 15.

<sup>16</sup> *Id.* at 15-16.

<sup>17</sup> CAISO Tariff, Appendix U, §§ 4.4, 6.4, 7.6, 8.5.

required in CAISO's serial study procedures for conducting re-studies required to evaluate the impact of project modifications.

19. We further find that aligning the small generator modification process with the process applicable to large generators is reasonable because CAISO has indicated that the size of a project generally has made no difference in terms of the impact of modifications on the cost and timing of other interconnection requests. In addition, extending to small generator projects the same maximum length of time as large generator projects to remain in the interconnection queue is reasonable because it will help to ensure that non-viable projects do not remain stagnant in the queue for unreasonably long periods.

20. We further find that tendering of the draft interconnection agreement after the study results meeting is reasonable because it will allow CAISO and the participating transmission owner to incorporate changes discussed at the results meeting into the draft agreement before it is tendered and should thus facilitate negotiation of a final interconnection agreement. However, we find that CAISO appears to have omitted from its filing several of the revised tariff sections that pertain to tender of the draft interconnection agreement. We direct CAISO to file the relevant tariff sections in a compliance filing within 30 days of the date of this order.<sup>18</sup> As part of this compliance filing, we also direct CAISO to remove the "at its option" language from the relevant tariff provisions, as indicated by PG&E and acknowledged by CAISO in its answer.<sup>19</sup>

21. We also find that CAISO's non-substantive revisions are acceptable as further clarifications to ensure consistency of current interconnection procedures. However, we find that a revised cross-reference in section 7.2 of Appendix DD appears to contain an error. The revised section 7.2 references "cash payment under section 14.2-13.2." It is unclear which section CAISO intended to cross-reference. We direct CAISO to include in its compliance filing a clarification or correction of this revision within 30 days of the date of this.

The Commission orders:

(A) CAISO's proposed tariff revisions are hereby conditionally accepted for filing, to become effective December 3, 2013, as discussed in the body of this order.

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<sup>18</sup> Omitted tariff sections include revised sections 11.1.1 of Appendix U and Y.

<sup>19</sup> CAISO Answer at 2.

(B) 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.