



California ISO
Your Link to Power

Decision on Improvements to the Generator Interconnection Procedures

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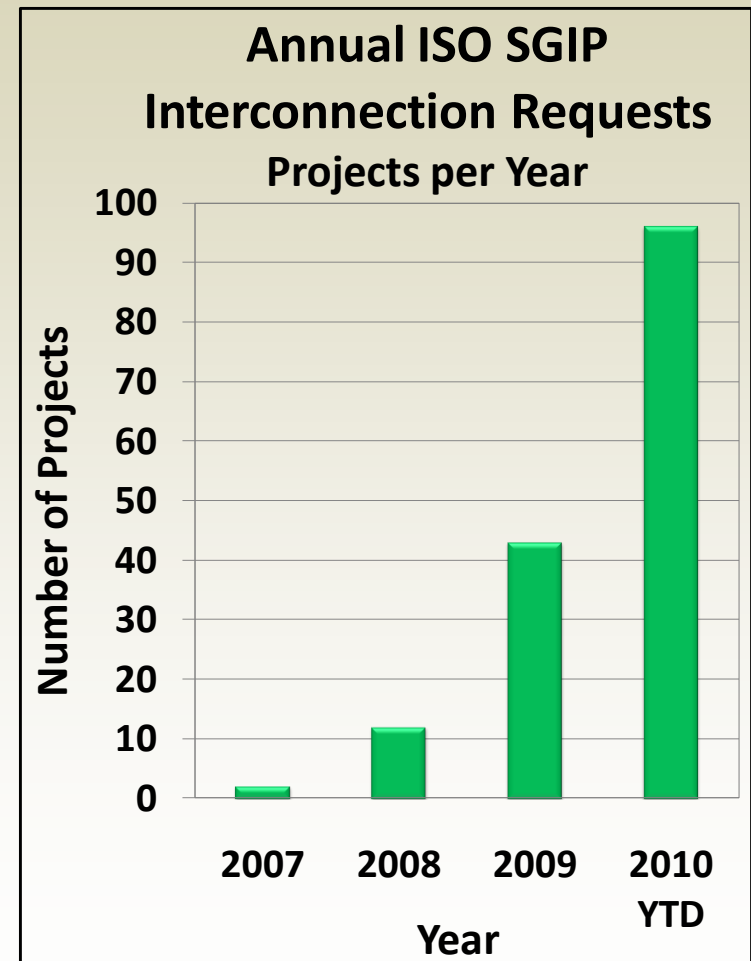
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The ISO oversees the interconnection of generators to the transmission grid.

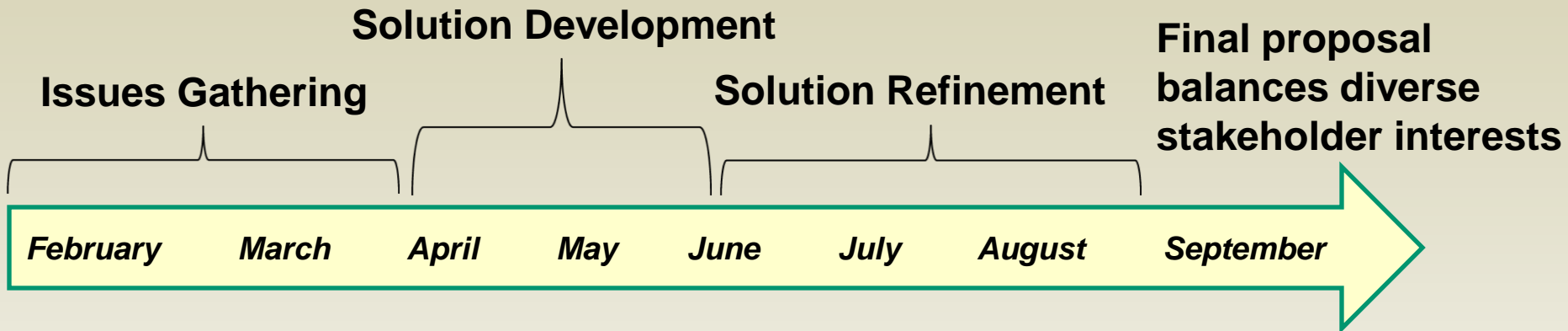
- ISO is required to ensure safe and reliable generator interconnections.
- Currently two processes:
 - Small generator interconnection procedures (SGIP) 20 MW and less
 - 119 active SGIP projects – 2,223.85 MW
 - Large generator interconnection procedures (LGIP) greater than 20 MW
 - 179 active LGIP projects – 44,724.4 MW

The ISO experienced a recent surge in interconnection requests for small generators (20 MW or less).

- The state's renewable portfolio standard goals will continue to drive dramatic increases
- Same problems experienced with the former serial LGIP process
 - Serial one at a time study process overwhelmed and backlogged
- Impacts of small and large projects must be considered together



The ISO led a collaborative stakeholder process to explore issues and develop solutions.



- Three in-person stakeholder meetings
- Four in-person and fifteen teleconference volunteer working group meetings
- Three rounds of stakeholder written comments

The primary issues identified through the process are addressed in the proposal.

- Provides cost and timing certainty to interconnection customers;
- Accommodates any number of requests in a scalable study process;
- Considers interdependencies of small and large generator interconnection requests;
- Provides options for qualified projects to be studied quickly; and
- Provides small generators enhanced opportunities for deliverability assessment.

The proposal combines SGIP and LGIP into a unified generator interconnection procedure (GIP).

- Annual cluster study track
 - Provides a shorter timeline than current LGIP and similar to SGIP
 - Approximately 420 calendar days
 - Network upgrades shared proportionately with cost certainty
- Alternative independent study process track
 - Qualifying projects may apply any time of year
 - Approximately 240 calendar days
 - Project responsible for network upgrades
- Modified fast track
 - Increased size from current 2MW to 5MW
 - Relaxed screening criteria

Key proposal elements:

Element	Current Procedures		Proposed Combined GIP
	SGIP	LGIP	
Study Process	Serial	Cluster	Cluster
Deliverability Assessment		✓	✓
Study Deposit	Per individual study estimates	Tiered (\$100K or \$250K)	Volumetric (\$50K plus \$1K per MW capped at \$250K)
Financial Security Postings	At start of construction	After each study phase	After each study phase
Alternatives to Cluster Study			
Independent Study Process Track			✓
Fast Track	✓		✓

Stakeholders support major aspects of proposal but concerns remain.

Issue	ISO Response
Study timelines still too long	Proposal will allow a project to be studied more quickly than current serial process.
Cost allocation	Project upgrade costs are shared proportionately and equitably within a cluster and are capped.
Independent study eligibility criteria	Proposal strikes the right balance without undermining the benefits of the cluster approach.
Data availability	ISO committed to make information more available. No tariff change required to implement.
Wholesale Distribution Access Tariff (WDAT) impacts	PTO's have committed to hold a stakeholder process for the WDAT.

Management recommends approval of the proposed generator interconnection procedures.

- The proposed reforms provide:
 - A more effective and streamlined interconnection process for both small and large generation
 - Greater certainty on cost and schedule
 - Enhanced opportunities for small generators to have full deliverability
- Proposal will enable more timely processing of interconnection requests to meet the state's renewable portfolio standard goals.