

understanding the issues raised, the CAISO requests waiver of the Commission's regulations to the extent necessary to permit it to address all issues in OptiSolar's pleading.²

I. Background

In this proceeding, the Commission granted limited waivers of specific provisions of the CAISO's current Large Generator Interconnection Procedures ("LGIP") and Interconnection Study agreements to facilitate the transition to the Generator Interconnection Process Reform ("GIPR") that has been developed by the CAISO and stakeholders and filed with the Commission on July 28, 2008.³ The waivers were a first step to reforming the CAISO interconnection process to provide a temporary pause in Interconnection Study activity for some early-stage Interconnection Requests ("IRs") to allow the CAISO and the Participating Transmission Owners ("PTOs") to concentrate their efforts on processing later-stage IRs. This concentration on later-stage IRs would enable the CAISO and PTOs to complete the Interconnection Study process in a shorter period of time and facilitate the transition to the new reformed process as expeditiously as possible.⁴ The later-stage IRs were placed in a Serial Study Group, while earlier-stage IRs were placed in the Transition Cluster or the Initial GIPR Cluster.

The CAISO endeavored to select objective criteria for the inclusion of IRs in the highest priority Serial Study Group based on indicators of a more advanced place in the

² See, e.g., *Central Hudson Gas & Electric Corp.*, 3 FERC ¶ 61,352 at 62,407 (1998) (good cause to permit answer which will "help in clarifying certain issues"); *California Independent System Operator Corp.*, 94 FERC ¶ 61,266 (2001) (good cause where answer "provides additional information that assists us in the decision-making process"); *California Independent System Operator Corp.*, 90 FERC ¶ 61,066 (2001) (good cause to permit answer because it "aided us in understanding the issues").

³ *California Independent System Operator*, Docket No. ER08-1317-000 (filed July 28, 2008).

⁴ Unless otherwise defined herein, terms used with initial capitalization have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff or in the Waiver Petition.

interconnection process and the greatest ability to move forward more quickly to satisfy state-imposed renewable power policy requirements, which criteria are that: (1) the customer has executed an Interconnection System Impact Study ("ISIS") Agreement that specifies an original ISIS results due date prior May 1, 2008; (2) the project underlying the IR has a power purchase agreement, approved or pending approval by the CPUC or other Local Regulatory Authority as of May 1, 2008; or (3) the IR, in queue order and up to the capacity studied by the CAISO, seeks interconnection to a new transmission project that has received applicable land use permits. The July 14 Order approved these criteria for prioritizing study efforts.

II. OptiSolar's Contentions

OptiSolar contends that its Stateline PV project had a higher queue position than a competitor who wants to interconnect at the same location, but the competitor was able to qualify for the Serial Study Group because it waived its Interconnection Feasibility Study, which allowed it to meet the first criterion listed above with respect to ISIS dates. OptiSolar claims that because it did not waive the Interconnection Feasibility Study for its Stateline PV project, and did not know that waiver of its Interconnection Feasibility Study would have such consequence, its project did not satisfy the ISIS criteria and was placed in the Transition Cluster. OptiSolar fears that its project will suffer a delayed interconnection as part of the Transition Cluster.

OptiSolar thus asks the Commission to clarify: "to the extent that lower-queued projects have been placed in the Serial Study Group, all higher-queued projects that have requested interconnection at the same location must also be placed in the Serial Study Group." (OptiSolar Request at 6.) OptiSolar asks for expedited consideration of

its request because it asserts that the CAISO is moving ahead with studies for that interconnection. OptiSolar alternatively requests rehearing if the FERC denies clarification, arguing that FERC did not follow its precedent on tariff waivers because of the alleged undesirable consequences of the waiver, and that it will result in unjust and discriminatory results.

Finally, OptiSolar requests a "limited stay" of the Commission's July 14 Order. Although the "limit" is not expressed in a time-frame for the requested stay, presumably it is asking for a stay pending the Commission's decision on its requests for clarification and rehearing. The requested stay would in effect reinstate the LGIP processing "for those projects that currently are assigned to the Transition Group but have higher queue positions than projects in the Serial Study Group and that have requested interconnection at the same location." (OptiSolar Request at 14).

III. The CAISO's Response

In the Waiver Petition, the CAISO proposed, and the Commission accepted, what the CAISO believes are reasonable and objective criteria for differentiating the later-stage IRs from the earlier-stage IRs. The CAISO continues to believe that each of these criteria is a reasonable and rational indicator of projects that have achieved a level of advancement in the interconnection process sufficient to satisfy the Commission's permitted distinction between early stage and later stage IRs and to permit the CAISO to expedite the Interconnection Study process to the greatest extent possible. As the CAISO stated earlier in response to customers who proposed alternative means of differentiating among the study groups proposed by the CAISO:

Although the alternatives and exceptions proposed may each have some merit, individually assessing whether a

particular project should receive special treatment is not consistent with the objective of quickly completing the transition to reformed procedures. That type of case-by-case analysis will defeat the purpose of selecting non-discriminatory criteria to create groups for the efficient clearing of the queue.

(CAISO June 6, 2008 Answer at 5-6).

Although OptiSolar has based its argument that its Stateline PV project should be included in the Serial Study Group on equitable considerations associated with its specific fact situation, such a case-by-case analysis of equitable considerations is not consistent with the objective criteria the CAISO established in order to quickly proceed through the interconnection reform process. Importantly, this process is currently under way and any reshuffling of the Serial Study Group would delay the CAISO's efforts to clear the queue. Therefore, the CAISO opposes OptiSolar's request that its project, and any other similarly situated projects, be moved from the Transition Cluster to the Serial Study Group.

The CAISO notes that OptiSolar's project may be able to take advantage of the new LGIP procedures, filed by the CAISO on July 28, 2008 in Docket No. ER08-1317. The GIPR tariff amendment provides for an accelerated process that can be used under specified conditions to expedite an Interconnection Request in the Transition Cluster.⁵ OptiSolar's project, to the extent it satisfies the conditions for the accelerated process, could be able to take advantage of that process to move quickly through the Transition Cluster.

The CAISO even more strongly opposes OptiSolar's request for a stay of the waivers granted by the July 14 Order. A stay of the LGIP waivers, meaning that the

⁵ See Docket No. ER08-1317-000, Transmittal Letter at pp. 29-30; proposed LGIP Section 7.6.

CAISO would have to revert to the serial study processes for some or all IRs in the queue, would severely disrupt the CAISO's ongoing efforts to quickly process those more advanced IRs in the Serial Study Group, and such disruption would ripple throughout and further delay all projects in the queue.

If the Commission wishes to grant OptiSolar's request that it be moved to the Serial Study Group as an exception to the objective criteria accepted by the July 14 Order, the CAISO asks that the Commission act expeditiously on that single request so as to have the least possible disruption to those projects already being studied.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served upon each person designated on the official service list compiled by the Secretary in this proceeding via electronic mail or first-class mail.

Dated at Washington, D.C., this 15th day of August, 2008.

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