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December 20, 2013

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Compliance Filing and Request for Clarification
Docket No. ER13-2484-_____**

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”)¹ submits this filing in compliance with the Commission’s “Order Accepting Tariff Revisions,” issued in the captioned proceeding on November 26, 2013.² As explained below, the ISO also requests clarification with respect to the Commission’s directive regarding modifications to the ISO’s interconnection procedures relating to tendering of interconnection agreements.

I. Compliance with the November 26 Order

On September 30, 2013, the ISO submitted tariff revisions to improve the ability of the ISO to administer the generator interconnection queue and to address miscellaneous non-substantive issues. On October 29, 2013, the ISO filed an answer to comments submitted by Pacific Gas and Electric Company (“PG&E”) in response to the September 30 filing. The answer explained that the Commission should accept the September 30 filing subject to certain minor tariff

¹ References herein to numbered appendices, sections, and articles are references to appendices, sections, and articles of the ISO tariff unless otherwise indicated.

² *California Independent System Operator Corp.*, 145 FERC ¶ 61,172 (2013) (“November 26 order”).

clarifications proposed by PG&E, which the ISO agreed should be made in a compliance filing.

In the November 26 order, the Commission accepted the September 30 filing, effective December 3, 2013 as requested by the ISO, subject to a compliance filing that contains the minor tariff clarifications with which the ISO agreed in its answer and that addresses other matters raised by the Commission.³

Pursuant to the Commission's direction, the ISO has clarified the tariff to remove the phrase "at its option" from the tariff provisions noted by PG&E in its comments, which the ISO agreed to make in its answer.⁴

Also, the Commission found that a cross-reference in section 7.2 of appendix DD, as revised in the September 30 filing, appeared to erroneously refer to "cash repayment under Section 14.2-13.2." The Commission stated that it was unclear which section the ISO intended to cross-reference and directed the ISO to include in its compliance filing a clarification or correction.⁵ In response, the ISO clarifies that the cross-reference in section 7.2 of appendix DD, as revised in the September 30 filing, correctly refers to the cash repayment provisions set forth in section 14.3.2 of appendix DD (entitled "Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security"). Therefore, no change to this cross-reference is needed.

II. Request for Clarification Regarding Interconnection Agreement Tender Modifications

In the September 30 filing, the ISO proposed to amend appendix DD of the ISO tariff to indicate that the Participating TO, rather than the ISO, tenders draft interconnection agreements, and that the triggering event for such tender will be the study results meeting rather than issuance of the study report. In its November 26 order, the Commission accepted these modifications but noted that the September 30 filing appeared to omit similar revisions to earlier versions of the ISO's interconnection procedures as set forth in appendices U and Y. The Commission directed the ISO to revise these appendices on compliance to include the tender-related revisions made to appendix DD.⁶

³ November 26 order at PP 17-21 and ordering paragraphs (A) and (B).

⁴ *Id.* at P 20. Specifically, the ISO has deleted that phrase from 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.

⁵ November 26 order at P 21.

⁶ *Id.* at P 20.

The ISO requests that the Commission clarify that the ISO need not make these revisions to appendices U and Y. Although footnotes 36 and 40 of transmittal letter accompanying the September 30 filing suggested that the ISO was proposing to revise appendices U and Y to include these modifications, those footnotes were in error. The ISO explicitly reflected the tender changes only in appendix DD in its proposed tariff sheets because similar changes to appendices U and Y are not necessary. All interconnection customers that were studied under the interconnection procedures set forth in appendices U and Y have long since been tendered interconnection agreements because the last result meeting projects subject to Appendix Y was December 19, 2012, which would have required tender by January 18, 2013. Therefore, there is no reason to amend the tender timing set forth in those appendices, and doing so could lead to customer confusion.

For these reasons, the ISO requests that the Commission clarify that amendments to appendices U and Y to include the tender-related modifications that the Commission accepted with respect to appendix DD are not required.

III. Materials Provided in the Instant Filing

In addition to this transmittal letter, the instant compliance filing includes Attachments A and B. Attachment A contains clean ISO tariff sheets reflecting the tariff revisions described above. Attachment B shows these revisions in black-line format.

If there are any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

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Counsel for the California Independent System Operator Corporation

Attachment A – Clean

Interconnection Process Enhancements Compliance Filing

California Independent System Operator Corporation

December 20, 2013

25.1.2 Affidavit Requirement

If the owner of a Generating Unit described in Section 25.1(d), or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes. The CAISO and the applicable Participating TO shall have the right to verify whether or not the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities, Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

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Appendix S Small Generator Interconnection Procedures

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1.3.4.1 Prior to making any modification, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 1.3.4, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under SGIP Section 1.3.4 or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Appendix T Small Generator Interconnection Agreement

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3.4.5 Modification of the Small Generating Facility

Prior to making any modification to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether any such proposed modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 1.3.4 of Appendix S, and such costs shall be included in any CAISO invoice for modification assessment activities. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Appendix U

Standard Large Generator Interconnection Procedures (LGIP)

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4.4.3 Prior to making any modification other than those specifically permitted by LGIP Sections 4.4.1, 4.4.2, and 4.4.5, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 5.1, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under LGIP Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. The

Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Appendix Y GIP

For Interconnection Requests Generator Interconnection Procedures (GIP)

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6.9.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than five (5) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section 6.9.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.9.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this GIP Section 6.9.2, shall

constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 6.9.2.

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Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

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6.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

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be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section.

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Appendix FF

Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Generator Interconnection and Deliverability Allocation Procedures

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3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2 of Appendix DD, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the GIDAP SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Attachment B – Marked

Interconnection Process Enhancements Compliance Filing

California Independent System Operator Corporation

December 20, 2013

25.1.2 Affidavit Requirement

If the owner of a Generating Unit described in Section 25.1(d), or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes. The CAISO and the applicable Participating TO shall have the right to verify whether or not the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO in conducting such verification activities, Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

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Appendix S Small Generator Interconnection Procedures

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1.3.4.1 Prior to making any modification, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 1.3.4, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under SGIP Section 1.3.4 or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Appendix T Small Generator Interconnection Agreement

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3.4.5 Modification of the Small Generating Facility

Prior to making any modification to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether any such proposed modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 1.3.4 of Appendix S, and such costs shall be included in any CAISO invoice for modification assessment activities. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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Appendix U

Standard Large Generator Interconnection Procedures (LGIP)

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4.4.3 Prior to making any modification other than those specifically permitted by LGIP Sections 4.4.1, 4.4.2, and 4.4.5, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 5.1, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under LGIP Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material

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Appendix Y GIP

For Interconnection Requests Generator Interconnection Procedures (GIP)

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6.9.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than five (5) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section 6.9.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.9.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by

the CAISO in an Interconnection Study or otherwise allowed under this GIP Section 6.9.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 6.9.2.

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Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

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Modifications permitted under this Section shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

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The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section.

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Appendix FF

Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Generator Interconnection and Deliverability Allocation Procedures

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3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may, ~~at its option,~~ engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2 of Appendix DD, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the GIDAP SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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