

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Small Generator Interconnection  
Agreements and Procedures**

**Docket No. RM13-2-000**

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION**

**I. Introduction**

The California Independent System Operator Corporation (ISO) files these comments in connection with the Commission's notice of proposed rulemaking in which the Commission proposes reforms to help overcome challenges for small generating facilities, including solar photovoltaic installations and other resources.<sup>1</sup> The ISO supports the objective to facilitate and streamline interconnection of distributed energy resources. As the Commission is aware, the ISO is working to facilitate the interconnection of distributed energy resources on the ISO transmission grid as well as on the distribution networks of participating transmission owners. As referenced in the NOPR, the ISO has already adopted a 5 MW eligibility threshold for a small generating facility to participate in the ISO's fast track interconnection process.<sup>2</sup> Last year, the ISO submitted a tariff amendment to create an additional means for distributed generation resources to obtain resource adequacy deliverability status on the ISO grid through an annual study process. This initiative will allow load-serving entities to count resources

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<sup>1</sup> *Small Generator Interconnection Agreements and Procedures*, RM13-2 (January 2013) (hereinafter, NOPR).

<sup>2</sup> NOPR at P 32; *see also* ISO tariff, Appendix DD, Generator Interconnection and Deliverability Allocation Procedures, Section 5.

interconnected to the distribution system toward their annual resource adequacy requirements without having to wait for the results of an interconnection study cycle.<sup>3</sup>

In the NOPR, the Commission has proposed a number of reforms to the *pro forma* small generator interconnection agreement. The ISO believes the *pro forma* proposals may not in all instances allow independent system operators and regional transmission organizations operating high-voltage transmission systems to streamline interconnections for small generating facilities. For this reason, the Commission should continue to recognize variations to these *pro forma* reforms that meet the independent entity variation standard.<sup>4</sup> The ISO asks, consistent with paragraph 51 of the NOPR, that any final rule authorize independent system operators and regional transmission operators to submit tariff provisions under this standard.

## **II. Comments on Proposed Small Generator Interconnection Reforms**

In its NOPR, the Commission proposes the following changes to its *pro forma* small generator interconnection agreement:

- (1) Modify small generator interconnection procedures to allow an interconnection customer to request from transmission providers a pre-application report that provides existing information about system conditions at a possible point of interconnection;

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<sup>3</sup> *Cal. Indep. Sys. Operator Corp.* 141 FERC ¶ 61,132 (November 2012). Starting with its 2012/2013 transmission planning process cycle, the ISO will perform a study to make an annual determination of amounts of distributed generation at specific locations that will be fully deliverable without any additional delivery network upgrades, without needing any further deliverability assessment studies, and without degrading the deliverability of existing resources or generation projects in the ISO's interconnection queue or in the distribution utilities' wholesale distribution access tariffs. The ISO will provide this information to project developers, load-serving entities, and the regulatory authorities that oversee procurement.

<sup>4</sup> Under the independent entity variation standard, the ISO must demonstrate that its proposed variation is just and reasonable and not unduly discriminatory and would accomplish the goals of the Commission's underlying order. See Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 549.

(2) Revise the 2 MW threshold up to 5 MW for participation in the fast track interconnection based on individual system and generator characteristics;

(3) Require additional procedures to resolve interconnection issues when the transmission provider cannot determine that a facility may be interconnected using a fast track process without affecting safety and reliability; and

(4) Allow an interconnection customer the opportunity to provide written comments to the transmission provider on upgrades required for interconnection.

The ISO offers the following comments on each proposed reform as well as additional issues identified in the NOPR.

**A. The Commission should provide flexibility to allow ISO/RTOs to fashion a pre-application report process to support developers seeking to interconnect to a networked high voltage transmission system**

The NOPR proposes to allow a developer to request a pre-application report from a transmission provider for \$300.<sup>5</sup> Under this proposed rule, the developer must provide sufficient information to clearly identify the proposed point of interconnection and the transmission provider must provide a report within 10 business days that contains specific information to the extent it is available.<sup>6</sup> In connection with this proposal, the ISO can provide certain transmission level information if the developer identifies a point of interconnection.

The Commission's NOPR identifies specific categories of information that transmission providers should provide in a pre-application report, if the information is available.<sup>7</sup> While the ISO supports developing a pre-application report for developers

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<sup>5</sup> NOPR at PP 27-28. The ISO does not have a position on the \$300 administrative fee proposed by the NOPR except to state it will likely not offset the actual costs of preparing pre-application reports. As a result, the ISO will need to recover any incremental costs incurred to prepare pre-application reports from market participants through the ISO's grid management charge.

<sup>6</sup> NOPR at P 28.

<sup>7</sup> NOPR at P 28.

planning to submit a small generating facility interconnection application, the ISO does not in all cases have the information identified by the NOPR. In some cases, this information is only available from the participating transmission owner (e.g. facility limitation inside the POI substation and accessibility to the POI substation) and in other cases does not exist for networked transmission systems (e.g. minimum load data). Some of this information may also be proprietary to participating transmission owners or critical energy infrastructure information, which could necessitate that developers execute a non-disclosure and limited use agreement. The ISO expects, however, it can fashion an appropriate non-disclosure and use limitation agreement to provide developers with necessary information.

The ISO urges the Commission to allow independent system operators and regional transmission operators that oversee interconnection on high-voltage networked systems to provide alternative information in a pre-application report that is more suited to interconnecting a small generating facility to a networked transmission system. Alternative information categories may include existing and queued generation not at the same point of interconnection but affected by the same transmission constraints. The Commission should also recognize that it is likely that developers may have follow-up questions with respect to pre-application reports that transmission providers could address in advance of an interconnection application. In this regard, the Commission may want to provide greater flexibility for transmission providers to fashion a pre-application process to have an exchange of information with developers following issuance of a pre-application report.

**B. The ISO's eligibility criteria for its fast track process comply with the NOPR's proposed reforms**

In its NOPR, the Commission proposes to revise the 2 MW threshold for participation in the fast track interconnection process under the *pro forma* small generator interconnection agreement.<sup>8</sup> The Commission proposes to base fast track eligibility on individual system and generator characteristics, up to a limit of 5 MW. These characteristics include interconnection voltage level, the circuit distance of the interconnection from the substation, and generator capacity. The ISO's current tariff procedures applicable to projects seeking to interconnect to transmission facilities under ISO operational control currently provide that resources up to 5 MW are eligible for the fast track interconnection process.<sup>9</sup>

**C. The NOPR should allow entities to maintain existing fast track interconnection processes that work as well as explore additional enhancements**

In its NOPR, the Commission proposes to modify the process for conducting a supplemental review if a transmission provider cannot determine that the facility may be interconnected without affecting safety and reliability.<sup>10</sup> As part of this supplemental review, the transmission provider must offer the interconnection customer the opportunity to attend a customer options meeting to explore alternative means to interconnect the facility without the need for an interconnection study process. The

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<sup>8</sup> NOPR at P 30.

<sup>9</sup> Appendix DD of the ISO tariff provides that an interconnection customer may request interconnection of a proposed generating facility under the fast track process if the facility is no larger than 5 MW and is requesting Energy-Only Deliverability Status and if the interconnection customer's facility meets specified codes, standards, and certification requirements, or if the applicable participating transmission owner notifies the ISO that it has reviewed the design for or tested the proposed small generating facility and has determined that the proposed facility may interconnect consistent with reliability criteria and good utility practice.

<sup>10</sup> NOPR at P 33.

ISO's tariff currently provides procedures for a customer options meeting and supplemental review, if a facility fails the fast track interconnection screens.<sup>11</sup>

The ISO's tariff provides that it will hold a customer options meeting within 10 business days of determining interconnection request cannot be approved under a fast track interconnection process.<sup>12</sup> In addition, the ISO tariff provides that interconnection customer shall be responsible for the ISO and participating transmission owner's actual costs for conducting the supplemental review.<sup>13</sup> These procedures are not entirely aligned with the NOPR's proposal that the transmission provider conduct the supplemental review for an administrative fee of \$2,500.<sup>14</sup> But the ISO believes its existing tariff provisions have created no prejudice to interconnection customers seeking to interconnect small generating facilities to the ISO's transmission grid. The Commission should recognize that variations from the proposed *pro forma* reforms may still be just and reasonable.

The Commission also proposes that the supplemental review consist of additional screens, including a minimum load screen.<sup>15</sup> The NOPR describes the minimum load screen as an assessment of whether the aggregate generation facility capacity on a line section is less than 100 percent of the minimum load measured during the period relevant for the generator type for all line sections bounded by

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<sup>11</sup> ISO tariff, Appendix DD, sections 5.4 and 5.5.

<sup>12</sup> *Id.* at Section 5.4.

<sup>13</sup> ISO tariff, Appendix DD, Section 5.5.

<sup>14</sup> NOPR at P 33 and fn 55. The NOPR notes that the proposed \$2,500 fee for the supplemental review is the same as the amount required for the California Public Utilities Commission Rule 21 supplemental review. As with the \$300 administrative fee proposed by the NOPR for pre-application reports, if the Commission requires transmission providers to charge this administrative fee, the ISO will need to recover any costs associated with conducting a supplemental review that exceed \$2,500 from market participants.

<sup>15</sup> NOPR at P 35.

automatic sectionalizing devices upstream of the generation facility.<sup>16</sup> The ISO does not measure minimum load on facilities under the ISO's operational control. While the ISO can include this screen in its tariff, this supplemental screen will never apply to an interconnection customer seeking to interconnect to the networked transmission system under the operational control of the ISO.

The Commission should recognize the differences between radial distribution systems and networked transmission systems, especially with respect to fast track screens for interconnection projects. Any final rule should allow the ISO to develop different fast track screens for transmission interconnections through a stakeholder process. In April 2013, the ISO commenced a stakeholder initiative to examine the need for to interconnection procedure enhancements.<sup>17</sup> The scope of the ISO initiative includes a commitment to develop new fast track screens that are specific to the ISO's networked transmission system.<sup>18</sup> The ISO requests that any action in this proceeding not preclude the ISO from proposing enhancements to fast track screens consistent with independent entity variation standard.

**D. The ISO tariff currently provides an opportunity for interconnection customers to submit written comments on network upgrades identified by interconnection study results**

In the NOPR, the Commission proposes to provide interconnection customers an opportunity to review and comment on upgrades proposed by the transmission provider to ensure a reliable interconnection.<sup>19</sup> The ISO's tariff provides all interconnection with

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<sup>16</sup> NOPR at P 36.

<sup>17</sup> Interconnection Process Enhancements Scoping proposal dated April 8, 2013 <http://www.caiso.com/Documents/ScopingProposal-InterconnectionProcessEnhancements.pdf>

<sup>18</sup> *Id.* at 6, Topic No. 5.

<sup>19</sup> NOPR at P 41.

the opportunity to submit written comments on both the phase I and phase II interconnection reports.<sup>20</sup> These provisions comply with the NOPR's proposed reform.

**E. The ISO supports the Commission's proposal to require small generating facilities to provide grid support during over – and under-frequency events**

In the NOPR, the Commission proposes to require interconnection customers to design, install, maintain, and operate its small generating facility, in accordance with the latest version of applicable standards in order to prevent automatic disconnection during an over- or under-frequency event.<sup>21</sup> As the amount of distributed energy resources increases on the transmission and distribution grids, the ISO believes these resources will need to provide more of the capabilities generally left to large central station facilities. For this reason, the ISO supports the proposed reform. The ISO, however, is aware that the California Public Utilities Commission is examining similar issues in its Rule 21 interconnection process and urges the Commission to coordinate its proposed reform with the outcome of the CPUC's proceedings.

**F. It is reasonable to categorize storage devices as a small generating facilities for purposes of interconnection**

As part of a workshop held on March 25, 2013 in this proceeding, the Commission requested comments on whether storage devices fall within the definition of small generating facility as devices that produce electricity.<sup>22</sup> Appendix FF of the ISO tariff defines small generating facility as follows: "The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not

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<sup>20</sup> ISO tariff, Appendix DD, Sections 6.7 and 8.7 provides for an opportunity for the interconnection customers to submit written comments on the phase II interconnection report.

<sup>21</sup> NOPR at 46.

<sup>22</sup> NOPR at 48. See *also* Supplemental Notice of Workshop dated March 19, 2013 in RM13-2 at 6. <http://www.ferc.gov/EventCalendar/Files/20130319112233-RM13-2-0001.pdf>



include the Interconnection Customer's Interconnection Facilities.” The ISO believes this definition is sufficiently broad to encompass a storage device and therefore apply the small generator interconnection procedures to such a facility if it is less than 20 MW.

### **III. Conclusion**

The ISO strongly supports the Commission’s objectives to make the interconnection process more efficient for distributed energy facilities. With respect to the proposed reforms in the NOPR, the ISO requests that it be permitted to submit tariff revisions under the independent entity variation standard in order to tailor procedures to assist developers seeking to interconnect to a networked transmission system.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service lists for the above captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2011).

Dated at Folsom, California this 3<sup>rd</sup> day of June 2013.

*Anna Pascuzzo*  
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