UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company)	Docket No.	ER07-1034
)		

SUPPLEMENTAL BRIEF OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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Dated: June 22, 2009

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To: The Honorable David Coffman,
Presiding Administrative Law Judge

Pursuant to the Presiding Judge's June 16, 2009 "Order Directing Supplemental Briefs," the California Independent System Operator Corporation ("ISO") submits its Supplemental Brief in this proceeding to address the following two questions posed by the Presiding Judge in the June 16 order:

- 1) Should the definitions of "Participating TO's Interconnection Facilities" and "Network Upgrades" contained in First Revised Sheet No. 518 and Substitute Fifth Revised Sheet No. 515, respectively, of the California Independent System Operator Corporation's currently effective tariff determine the classification of the telecommunications facilities at issue in this case?
- 2) If so, what classification of the facilities do the foregoing definitions dictate?

I. DISCUSSION OF ISSUES

ISSUE 1: The definitions relating to Interconnection Facilities and Network Upgrades contained in Appendix V to the ISO Tariff do determine the classification of the telecommunications facilities at issue in this case.

The ISO maintains that the definitions relating to "Interconnection Facilities" and "Network Upgrades" in the ISO tariff do in fact dictate the classification of the telecommunications facilities at issue in this case. However, for purposes of clarity, it is important to understand that, in the ISO's currently effective tariff, definitions relating to Interconnection Facilities and Network Upgrades are contained in multiple locations: in the Master Definitions Supplement (Appendix A), in the Standard Large Generator Interconnection Agreement (Appendix V), and in the Large Generator Interconnection Agreement for Interconnection Requests in a Queue Cluster Window (Appendix Z). The definitions cited by the Presiding Judge in the June 16 order are those contained in Appendix A. There are some immaterial differences between these definitions, as further discussed below.

With respect to the definition of "Participating TO's Interconnection

Facilities," the language in Appendix A and Appendix V² are essentially identical.

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The June 16 order cited to the Third Replacement Volume, No. II as the currently effective ISO tariff. However, as of the implementation of the ISO's new markets on March 31, 2009, the currently effective ISO tariff is the Fourth Replacement Volume, No. I ("ISO Tariff"). That tariff is available on the ISO's website at http://www.caiso.com/23b2/23b2c3973b4b0.html. For purposes of this brief, the "current version" of the ISO tariff will refer to the Fourth Replacement Volume. The definitions cited in the June 16 order, however, are identical as between the Third and Fourth Replacement Volumes of the ISO tariff.

For purposes of this brief, Appendix Z, which relates to Interconnection Requests processed as part of a Queue Cluster Window and became effective on September 29, 2008, is not relevant because the Green Borders project was studied serially prior to the adoption of this new Appendix. For convenience, the ISO has attached to this brief the tariff sheets from Appendix A and Appendix V of its current tariff containing the relevant definitions.

There are, however, minor differences between Appendix A and Appendix V with respect to the definitions relating to "Network Upgrades":

- The definition of Network Upgrades in Appendix V does not contain any substantive discussion of what constitutes a Network Upgrade. Instead, the definition references the component definitions for Participating TO Delivery Network Upgrades and Participating TO Reliability Network Upgrades.
- The definition of "Reliability Network Upgrades" in Appendix A contains more detail regarding upgrades relating to thermal overloads than the definition of "Participating TO Reliability Network Upgrades" in Appendix V, in order to better differentiate between reliability- and delivery-related Network Upgrades. This additional detail was added to the definition in Appendix A at the time the ISO filed its new LGIP and LGIA for interconnection requests that will be processed in a queue cluster window.³ The reliability-related or delivery-rated distinction is not relevant to the determination to be made in this proceeding, however, insofar as the present issue is not what type of network upgrades the telecommunication facilities would be, but rather whether the telecommunications facilities are Interconnection Facilities or Network Upgrades.

For purposes of this proceeding, the ISO submits that the applicable definitions are those contained in the ISO's LGIA (Appendix V) because these

³ California Independent System Operator Corporation Generator Interconnection Process Reform Tariff Amendment, Docket No. ER08-1317 (July 28, 2008), Transmittal Letter at 35.

are the definitions that have governed the process under which Green Borders' interconnection request has been studied. Regardless of the choice, however, both sets of definitions explicitly delineate the difference between <u>Interconnection Facilities</u> and <u>Network Upgrades</u>, namely, that Interconnection Facilities are comprised of those facilities and equipment situated between the generation facility and the Point of Interconnection, whereas Network Facilities are those additions, modifications, and upgrades situated at or beyond the Point of Interconnection with the CAISO Controlled Grid. As such, these definitions do indeed "determine the classification of the telecommunications facilities at issue in this case." Moreover, these definitions are derived from the definitions in the Commission's pro forma LGIA as adopted in the Order No. 2003 line of cases.⁴ Those definitions, in turn, reflect and incorporate the Commission's long-standing "at or beyond" test for assessing whether or not particular facilities constitute interconnection facilities or network upgrades, which the ISO discussed in its previous briefs in this proceeding.5

ISSUE 2: The definitions relating to Interconnection Facilities and Network Upgrades in the ISO Tariff dictate that the telecommunications facilities at issue in this proceeding be classified as Interconnection Facilities.

In its Initial Brief, the ISO explained that the telecommunications facilities at issue will be located on the Green Borders side of the point of

Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 FR 49845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003) ("Order No. 2003").

interconnection, which is at SCE's Control substation. As shown on page 19 of Exhibit No. JST-7, the fiber optic communications cable will run from Control substation to the new Aurora substation, which is the location where the Green Borders facility will connect to the Dixie Valley-Oxbow line. Thus, this cable is clearly located on Green Borders' side of the point of interconnection with the CAISO Controlled Grid.⁶ The fiber optic cable will be owned and operated by SCE.⁷

The ISO also explained that the microwave equipment is functionally located on Green Borders' side of the point of interconnection because, although certain of the equipment will be installed at communications sites owned by the Los Angeles Department of Water and Power ("LADWP"), this equipment will operate to provide a backup communications signal from the Green Borders facility to the CAISO Controlled Grid, which will duplicate the function and the communications route of the fiber optic cable.⁸ These facilities will also be owned and operated by SCE.⁹

None of the parties, not even Green Borders, have disputed the fact that the proposed telecommunications facilities will be located between the Green Borders facility and the Point of Interconnection with the CAISO Controlled Grid. Green Borders' only response to this fact has been to argue that "at or beyond" is not relevant because the facilities at issue are

⁵ See, e.g., Nevada Power Co., 111 FERC ¶ 61,161 (2005); Entergy Gulf States, 98 FERC ¶ 61,014 at 61,023, reh'g denied, 99 FERC ¶ 61,095 (2002); Tampa Electric Co., 99 FERC ¶ 61,192 (2002); see also CAISO Initial Brief at 9-10.

⁶ ISO Initial Brief at 9-10.

See Exh. JST-8 at 63; Exh. ISO-2 at 7.

See Exh. JST-7 at 19; ISO-1 at 10-11; CAISO Initial Brief at 10.

See Exh. JST-8 at 63; Exh. ISO-2 at 7.

"not typical transmission related interconnection upgrades, such as breakers or transmission lines." However, the ISO Tariff recognizes no such distinction. Indeed, under the Tariff, Interconnection Facilities include "all facilities and equipment between the Generating Facility and the Point of Interconnection."

Applying the tariff definition to facts of this proceeding, it is undisputed that the telecommunications facilities are located between the generation facility and the Point of Interconnection with the ISO Controlled Grid, and are accordingly, Interconnection Facilities by definition. This result is consistent with Commission precedent, which provides that, when facilities are located on the generator's side of the Point of Interconnection, they should be classified as Interconnection Facilities, and the costs allocated accordingly. Moreover, because the telecommunications facilities will be "owned, controlled or operated" by SCE, rather than Green Borders, it is appropriate to further classify them as "Participating TO Interconnection Facilities." 13

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Green Borders Initial Brief at 11.

The ISO Tariff makes the further distinction for Interconnection Facilities as follows (i) Interconnection Customer Interconnection Facilities consist of those facilities located between the Generating Facility and the Point of Change of Ownership and (ii) Participating TO Interconnection Facilities consist of those facilities owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection. ISO Tariff at Original Sheet Nos. 1691 and 1693.

In addition to the fact that the telecommunications facilities at issue are properly classified as Interconnection Facilities pursuant to the definitions set forth in the ISO Tariff, as the ISO, SCE and Staff explained in their respective briefs filed in this proceeding, the function of the facilities also dictates their classification as Interconnection Facilities.

II. CONCLUSION

For the reasons set forth above, the ISO respectfully requests that the Presiding Judge accept this Supplemental Brief and rule on the issues in this proceeding in accordance with the discussion above.

Respectfully submitted,

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June 22, 2009

See ISO Tariff, First Revised Sheet No. 912, Original Sheet No. 1693; see also Order No. 2003, Standard Large Generator Interconnection Agreement at 14.

Attachment – ISO Tariff Definitions

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF

First Revised Sheet No. 857

FOURTH REPLACEMENT VOLUME NO. II

Superseding Original Sheet No. 857

An evaluation by the Participating TO, CAISO or a third party consultant **Deliverability Assessment**

> for the Interconnection Customer to determine a list of facilities, the cost of those facilities, and the time required to construct these facilities, that would ensure a Generating Facility could provide Energy to the CAISO Controlled Grid at peak Load, under a variety of severely stressed conditions, such that the aggregate of Generation in the local area can

be delivered to the aggregate of Load on the CAISO Controlled Grid,

consistent with the CAISO's reliability criteria and procedures.

Delivery Network

Transmission facilities at or beyond the Point of Interconnection, other **Upgrades**

than Reliability Network Upgrades, identified in the Interconnection

Studies to relieve Constraints on the CAISO Controlled Grid.

Delivery Point The point where a transaction between Scheduling Coordinators is

> deemed to take place. It can be either the Generation input point, a Demand Take-Out Point, or a transmission bus at some intermediate

Location.

Demand The instantaneous amount of Power that is delivered to Loads and

> Scheduling Points by Generation, transmission or distribution facilities. It is the product of voltage and the in-phase component of alternating current measured in units of watts or standard multiples thereof, e.g.,

1,000W=1kW, 1,000kW=1MW, etc.

Demand Bid The Bid component in a Bid submitted in the DAM that indicates the

> MWh of Energy the Scheduling Coordinator is willing to purchase, the price at which it is willing to purchase the specified Energy and the

applicable Trading Hours for the next day.

Demand Forecast An estimate of Demand over a designated period of time.

Department of Market Monitoring (DMM)

The department of the CAISO established under Section 1 of Appendix

Ρ.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

Issued on: April 28, 2009 Effective: April 28, 2009

First Revised Sheet No. 883 Superseding Original Sheet No. 883

Interconnection
Customer's
Interconnection Facilities

All facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the CAISO Controlled Grid. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities

The Participating TO's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the CAISO Controlled Grid. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study

A study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement

The form of agreement accepted by FERC and posted on the CAISO Website for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study

A preliminary evaluation conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the CAISO Controlled Grid, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Issued by: Anjali Sheffrin, Ph.D., Chief Economist

Issued on: July 28, 2008

Effective:

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF

FOURTH REPLACEMENT VOLUME NO. II

Original Sheet No. 904

Net RTM Bid Cost Uplift The amount of RTM-related Bid Costs resulting from the sequential

netting in Section 11.8.6.2 and allocated to Scheduling Coordinators in

accordance with Section 11.8.6.6.

Net RUC Bid Cost Uplift The amount of RUC-related Bid Costs resulting from the sequential

netting in Section 11.8.6.2 and allocated to Scheduling Coordinators in

accordance with Section 11.8.6.5.

Net Scheduled QF A Qualifying Facility identified in a QF PGA operated as a single unit

> such that the Energy bid or self-scheduled with the CAISO is the net value of the aggregate electrical net output of the Qualifying Facility and

the Self-provided Load.

Netting Period A calendar month, representing the interval over which the Net Output of

> one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that

Station Power Portfolio.

Network Upgrades The additions, modifications, and upgrades to the CAISO Controlled

> Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Generating Facility to the CAISO Controlled Grid. Network Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades. Network Upgrades do not include

Distribution Upgrades.

New High Voltage Facility A High Voltage Transmission Facility of a Participating TO that is placed

> in service after the beginning of the TAC Transition Period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made and placed in service after the beginning of the TAC Transition Period

> described in Section 4.2 of Schedule 3 of Appendix F to an Existing High

Voltage Facility.

Issued by: Charles A. King, PE, Vice President of Market Development and Program Management Effective: March 31, 2008

Issued on: December 21, 2007

First Revised Sheet No. 912 Superseding Original Sheet No. 912

Participating TO's Interconnection Facilities

All facilities and equipment owned, controlled, or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Path 15 Upgrade

The upgraded transmission facilities on Path 15 that have been turned over to CAISO Operational Control.

Payment Advice

A document published as a result of an invoicing run pursuant to the CAISO Payments Calendar in which a Business Associate's current net financial obligation is a negative Settlement Amount.

Payment Date

The date by which invoiced amounts are to be paid under the terms of the CAISO Tariff.

PGA

Participating Generator Agreement

Phase I Interconnection Study

The engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the CAISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility (ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures set forth in Appendix Y. The study will also identify the approximate total costs, based on per unit costs, of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating

Issued by: Anjali Sheffrin, Ph.D., Chief Economist

Facilities.

Issued on: July 28, 2008

Effective:

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

FERC ELECTRIC TARIFF
FOURTH REPLACEMENT VOLUME NO. II

Second Revised Sheet No. 929 Superseding First Revised Sheet No. 929

Reliability Network Upgrades

The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Large Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Large Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through Congestion Management, Operating Procedures, or Special Protection Systems based on the characteristics of the Large Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.

Reliability Requirement Determination (RRD)

The reliability process conducted by the CAISO during the DAM, prior to the IFM, and in the HASP, prior to the RTUC, to determine whether unit(s) subject to a contract with the CAISO to provide local reliability services, which includes a Reliability Must-Run Contract and any successor instrument, are necessary to meet local reliability needs for the CAISO Balancing Authority Area.

Reliability Services Costs

The costs associated with services provided by the CAISO: 1) that are deemed by the CAISO as necessary to maintain reliable electric service in the CAISO Balancing Authority Area; and 2) whose costs are billed by the CAISO to the Participating TO pursuant to the CAISO Tariff. Reliability Services Costs include costs charged by the CAISO to a Participating TO associated with service provided under an Reliability Must-Run Contract, Exceptional Dispatches and Minimum Load Costs associated with units committed for local reliability requirements.

Issued by: Laura Manz, Vice President, Market and Infrastructure Development

Issued on: January 15, 2009 Effective: March 31, 2009

Original Sheet No. 1691

Generating Facility shall mean the Interconnection Customer's Electric Generating Unit(s) used for the production of electricity identified in the Interconnection Customer's Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, CAISO, Participating TO, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which an Electric Generating Unit is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Participating TO's Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Participating TO's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Participating TO's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Participating TO's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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Original Sheet No. 1693

IRS shall mean the Internal Revenue Service.

CAISO Controlled Grid shall mean the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed for measuring the output of the Generating Facility pursuant to this LGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

Operational Control shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the CAISO Controlled Grid.

Participating TO's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this LGIA, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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Effective: March 31, 2008

Original Sheet No. 1694

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Participating TO's Transmission System shall mean the facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Party or Parties shall mean the Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

Qualifying Facility shall mean a qualifying cogeneration facility or qualifying small power production facility, as defined in the Code of Federal Regulations, Title 18, Part 292 (18 C.F.R. §292).

QF PGA shall mean a Qualifying Facility Participating Generator Agreement specifying the special provisions for the operating relationship between a Qualifying Facility and the CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO Tariff.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this LGIA, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting among representatives of the Interconnection Customer, the Participating TO(s), other Affected Systems, and the CAISO conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Stand Alone Network Upgrades shall mean Network Upgrades that the Interconnection Customer may construct without affecting day-to-day operations of the CAISO Controlled Grid or Affected Systems during their construction. The Participating TO, the CAISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA.

Issued by: Charles A. King, PE, Vice President of Market Development and Program Management
Issued on: December 21, 2007

Effective: March 31, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C. this 22nd day of June, 2009.

/s/ Michael Kunselman Michael Kunselman

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