

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

Reform of Affected System Coordination)	
In the Generator Interconnection Process)	Docket No. AD18-8-000
)	
EDF Renewable Energy Inc.,)	Docket No. EL18-26-000
v.)	
Midcontinent Independent System)	
Operator, Inc., Southwest Power Pool, Inc.,)	
and PJM Interconnection, L.L.C.)	

**POST-TECHNICAL CONFERENCE COMMENTS OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to the Commission’s April 19, 2018 Notice in the above dockets,¹ the California Independent System Operator Corporation (“CAISO”) respectfully submits these comments on the April 3-4 technical conference on affected systems.² These comments supplement the CAISO’s previous comments and participation at the technical conference.³

I. Current Proceedings

As explained in the CAISO’s testimony at the technical conference, affected systems issues in the West are infrequent. To the extent there are issues, those issues generally involve non-jurisdictional utilities. The CAISO currently has 19 neighboring

¹ The CAISO notes that it is not a party to Docket No. EL18-26-000, nor seeks to be one.

² Terms not otherwise defined herein have the meanings set forth in the CAISO tariff, and references to specific sections, articles, and appendices are references to sections, articles, and appendices in the current CAISO tariff and revised or proposed in this filing, unless otherwise indicated. The CAISO processes interconnection requests pursuant to its Generator Interconnection and Deliverability Allocation Procedures (“GIDAP”), Appendix DD to the CAISO tariff.

³ See Speaker Materials of Deborah Le Vine and Bill Weaver, Docket No. AD18-8-000 (April 9, 2018).

utilities that could be impacted by new interconnections to the CAISO controlled grid. Of these 19 utilities, two are subject to the Commission's jurisdiction under § 201 of the Federal Power Act.⁴ Nonetheless, the CAISO has worked extensively to develop modern and efficient affected system practices that generally were identified as potential best practices at the technical conference. The CAISO therefore believes that it would be imprudent to implement reforms on a national basis. The CAISO encourages the Commission to use its jurisdiction under § 206 of the Federal Power Act to identify and remedy unjust or preferential practices by specific utilities or RTOs.⁵ Such a surgical approach would benefit stakeholders and ratepayers more than attempts at universal reform.

II. The CAISO Affected System Process

The CAISO maintains an active spreadsheet on its website that (1) lists which utilities will be affected systems based upon the nine areas where an interconnection customer could interconnect to the CAISO controlled grid; and (2) provides the current contact information for each affected system.⁶ This information allows potential generation developers to know which utilities may be impacted by their contemplated interconnection, even before the developers submit their interconnection requests. It also allows developers to reach out to these potential affected systems at any time and

⁴ 16 U.S.C. § 824 (2018).

⁵ 16 U.S.C. § 824e(a) (2018).

⁶ https://www.caiso.com/Documents/GeneratorInterconnectionProcedures_AffectedSystemsContactList.xls. For example, the "Southern California Edison North Area" includes the study areas of the SCE transmission system north of Vincent substation, including the Big Creek, Tehachapi, and Ventura areas. An interconnection customer interconnecting to this area would have the Los Angeles Department of Water and Power and the California Department of Water Resources as Potentially Affected Systems.

without CAISO assistance.

Shortly after an interconnection request is validated, the CAISO begins the initial affected system notification process at the first scoping meeting for the project.⁷ All potentially impacted affected systems are invited to this scoping meeting.⁸ Once the CAISO and participating transmission owner completes the interconnection customer's Phase I study report, the CAISO provides the report to each affected system. These affected systems then are invited to participate in the Phase I study results meeting.⁹

Following the Phase I study results, the CAISO requires interconnection customers to post interconnection financial security to continue to be studied.¹⁰ Approximately 40 to 60 percent of new interconnection customers will elect to withdraw before they are required to post their initial interconnection financial security.¹¹ For this reason, the CAISO does not ask anything of the affected system until after the initial interconnection financial security posting. Within 30 days of the initial interconnection financial security postings, the CAISO provides a notice to each affected system listing all of the remaining interconnection customers whose projects may present a reliability impact to them.¹² Within 60 days of notification from the CAISO, the affected system

⁷ See Sections 3.7; 4.3 of Appendix DD to the CAISO tariff.

⁸ Appendix A to the CAISO tariff defines an affected system as "An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TOs' electric systems that are not part of the CAISO Controlled Grid."

⁹ See Section 6.6 of Appendix DD to the CAISO tariff. Initial interconnection financial security postings generally require 15% of total cost responsibility assigned to the interconnection customer for its network upgrades. Financial security most commonly comes in the form of a letter of credit, but can also be provided through other forms specified in Section 11.1 of Appendix DD to the CAISO tariff.

¹⁰ See Section 11.2 of Appendix DD to the CAISO tariff.

¹¹ Interconnection customers generally withdraw at this point because they do not believe their assigned network upgrade costs will allow them to market their projects.

¹² Section 3.7.1 of Appendix DD to the CAISO tariff.

will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an Identified Affected System;¹³ or (ii) the electric system should not be considered an Identified Affected System. If the affected system fails to advise the CAISO within 60 days of notification, the CAISO will assume that the electric system is not an Identified Affected System, and no further interaction is required by the CAISO or the interconnection customer.

If an affected system notifies the CAISO that it is an identified affected system after the 60-day notification period, the CAISO will not delay the synchronization of the generator for mitigation required by the affected system unless the affected system identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues are present, the CAISO will work with the affected system and the interconnection customer to establish temporary mitigations, if possible, for the reliability issue.¹⁴

This straightforward notification period provides meaningful certainty for interconnection customers: They will know the affected systems with which they will need to coordinate studies and, perhaps more importantly, they know other affected systems cannot raise objections to their interconnection to the CAISO later in the process (absent extenuating circumstances). Interconnection customers are thus exposed to fewer affected system risks and uncertainties.

After the confirmation process, the CAISO ensures that Identified Affected Systems are provided the Phase II study results for their projects, and are notified of

¹³ Appendix A to the CAISO tariff defines an Identified Affected System as “an Affected System Operator that responds affirmatively to CAISO notification, as described in Section 3.7 of Appendix DD.”

¹⁴ Section 3.7.1 of Appendix DD to the CAISO tariff.

any subsequent modifications to the projects. The CAISO also notes the Identified Affected Systems in the Generator Interconnection Agreement (“GIA”) and facilitates discussions, if needed. To ensure that the project will not impact the reliability of affected systems, six months before synchronization CAISO GIAs require the interconnection customer to provide the CAISO with documentation from any Identified Affected System confirming that the Identified Affected Systems have been contacted; that any system reliability impacts have been addressed; or that the Identified Affected System’s study determined that no mitigation was required—the most common scenario. GIAs also allow interconnection customers to provide documentation demonstrating that the interconnection customer has taken all reasonable steps to address potential system reliability impacts with the Identified Affected System but has been unsuccessful.¹⁵ To date, all affected systems have engaged with interconnection customers in advance of synchronization, obviating the need to rely on this clause.

If a reliability issue is identified on the Identified Affected System, the interconnection customer can request that the CAISO determine if something can be done on the CAISO Controlled Grid to mitigate the impact on the Identified Affected System, temporarily while affected system mitigation is put in place, or permanently (completely in lieu of affected system mitigation).¹⁶ Moreover, the CAISO is always available to confer with the parties regarding mitigation and to resolves differences.

¹⁵ If the Interconnection Customer has been unsuccessful in resolving Identified Affected System issues at the time the Generating Unit plans to synchronize to the CAISO Controlled Grid, the interconnection customer must provide sufficient details about all contacts and other attempts to work with the Identified Affected System and address system impacts. If impacts are valid and cannot be mitigated then the CAISO will advise the Interconnection Customer and the Identified Affected System operator that impacts must be mitigated to avoid reliability impacts.

¹⁶ See Section 6.1.4.3 of the Business Practice Manual (“BPM”) for the GIDAP.

The CAISO's affected system process has functioned quite well. Affected systems generally respond promptly to CAISO notifications and inquiries, and interconnection customers have experienced very few affected system issues that have required mitigation or had a material impact on their projects' cost or timing. Moreover, in many instances the CAISO has been able to identify solutions through its operations that mitigate or obviate reliability impacts on affected systems. Because of CAISO's existing notification process, these solutions have been able to be identified well in advance of synchronization, thus avoiding the potential for additional costs or delays.

III. Other Proposals

Other parties have suggested that ISO/RTOs should take on more responsibility to mitigate impacts to interconnection customers in the affected system process—that ISO/RTOs should include affected system study results in the ISO's own study results, and that ISO/RTOs should enter coordination agreements and reciprocity agreements with neighboring systems. These additional process steps are not warranted in the West. First, there have been few legitimate affected system issues in the West. Second, further reform will not increase the opportunity that the CAISO's process already provides for affected systems to identify reliability concerns. The CAISO believes that such reforms would only impact the affected systems that already coordinate well and deliver interconnection customers with prompt and fair study results, which are the vast majority of systems in the CAISO's experience. Further, nearly all of the CAISO's affected systems are not FERC jurisdictional. At most, such reforms should be limited to RTO to RTO coordination, or to ISO/RTO coordination with FERC-jurisdictional entities only.

Some parties have proposed that the Commission should require ISO/RTOs to enter into reciprocity agreements with their affected systems. The CAISO believes that this requirement would be impractical and ineffective. First, reciprocity agreements are not an end unto themselves, and no party has specified what such reciprocity agreements should say, or how they would be enforced. Second, it is not possible to require ISO/RTOs to enter into reciprocity agreements with counterparties that are not FERC jurisdictional. As the CAISO has explained in this proceeding, the CAISO has attempted to negotiate reciprocity agreements with its affected systems in the past to no avail. The majority of the CAISO's affected systems receive very few interconnections, almost none of which impact the CAISO's reliability, and as such the affected systems do not have an incentive to enter into reciprocity agreements with the CAISO.

All entities should strive for transparent interconnection study processes and adhere to timelines to coordinate affected system issues. Ultimately, however, it should be the interconnection customer's responsibility to coordinate with an affected system where its interconnection project will create reliability impacts that require mitigation.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, 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 Folsom, California this 22nd day of May, 2018.

/s/ Grace Clark
Grace Clark