

November 22, 2011

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
Motion to file Report on Interconnection Queue Clusters 1 & 2 One
Day Out of Time
Docket Nos. ER08-1317-____, ER11-1830-____

Dear Secretary Bose:

On November 21, 2011 the California Independent System Operator Corporation ("CAISO") submitted a report entitled "California Independent System Operator Corporation Report on Interconnection Queue Clusters 1 & 2" pursuant to the following orders of the Commission:

Order Conditionally Approving Tariff Amendment, dated September 28, 2008, at P 200 (California Independent System Operator Corp. (Docket No. ER08-1317-000), 124 FERC ¶ 61,292;

Order Conditionally Accepting Tariff Revisions, dated December 16, 2010 at PP 97, 117 (California Independent System Operator Corp. (Docket No. ER11-1830-000), 133 FERC ¶ 61,223).

The CAISO began the electronic filing process before the 5:00 PM but was not able to submit the filing before the deadline. According, the CAISO now resubmits the revised report one day out of time.

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

Respectfully Submitted,

By: /s/ Baldassaro "Bill" DiCapo

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UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

| California Independent System | | |
|-------------------------------|-------------|-----------|
| Operator Corporation | Docket Nos. | ER08-1317 |
| - | | ER11-1830 |
| | | |

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION REPORT ON INTERCONNECTION QUEUE CLUSTERS 1 & 2

Comprehensive Report Pertaining To The Interconnection Process For Queue Cluster 1 & 2

Date: November 21, 2011

Robert Emmert Baldassaro ("Bill") Di Capo Manager, Interconnection Senior Counsel

Resources California Independent System

California Independent Operator Corporation

System Operator Corporation

INTRODUCTION AND DISCUSSION OF THIS REPORT

This comprehensive report on Queue Cluster 1 describes the CAISO's process and issues encountered during the Queue Cluster 1 and 2 interconnection process in compliance with Commission's Ruling on September 26,2008, in which the Commission imposed a comprehensive reporting requirement following the completion of the Transition Cluster and Queue Cluster 1. The CAISO filed a comprehensive report on the Transition Cluster in January 2011 in combination with the CAISO's 2010 Q4 quarterly report.

In this report, the CAISO has chosen to include a discussion of Queue Cluster 2 as well as Queue Cluster 1, as the Phase II interconnection studies for these two clusters were conducted in combination. This is a "carry over" of the structure of the 2008 Generator Interconnection Process Reform (GIPR) tariff amendment. Under the structure of the GIPR, the CAISO opened two queue clusters in a year, performed two Phase I interconnection studies in a single year, and then conducted a combined Phase II interconnection study process for the two queue clusters in the following year. When the CAISO established the Generator Interconnection Process (GIP) in 2010, the CAISO continued the approach for the clusters that were already underway (Clusters 1 through 4). The GIP structure, under which each queue cluster will undergo a separate Phase I and Phase II study, does not commence until Cluster 5.

The CAISO and participating transmission owners (PTO) completed the Phase II studies for these projects between August 19 - 26, 2011. Of the 39 active projects in Cluster 1 & 2, Pacific Gas and Electric Co (PG&E) has 15 projects, Southern California Edison (SCE) has 16 projects and San Diego Gas & Electric Co (SDG&E) has 8 projects for a total of 6,039 MW.

The current process, contained in CAISO Tariff Appendix Y, is called the "Generator Interconnection Procedures ("GIP").¹ The GIP became effective December

¹ The ISO O.A.T.T., ISO Tariff Appendix Y can be accessed on the ISO's website at http://www.caiso.com/2872/2872862b51c40.pdf

19, 2010. The GIP combines the processes for large generator and small generator interconnection into one interconnection tariff. Under the GIP, there are three possible study tracks for an interconnection request:

- (1) <u>The cluster study process track</u>, which serves as the primary processing method and the default interconnection process;
- (2) The independent study process track, under which certain projects can be studied independently if they are determined to be electrically independently from other projects in the cluster study, and demonstrate the ability to complete non-CAISO development milestones (like licensing) sooner than typical development timeframes; and
- (3) The fast track process track, which is available for projects of up to 5 MW, when it can be determined, through a limited evaluation methodology, that the project can be interconnected with no upgrades or with *de minimis* upgrades.

Prior Quarterly Reports Containing Information About Cluster 1

This report follows twelve quarterly reports filed by the CAISO, which are as follows:

2011

Q3 2011 report (October 31, 2011), accessible at http://www.caiso.com/Documents/2011-10-

31 Q3FERCQuarterlyRpt ICQ.pdf

Q2 2011 report (dated August 1, 2011, accessible at http://www.caiso.com/Documents/2011-08-

01 ER08-1317 ER11-1830 Q2InterconnectionRpt.pdf

Q1 2011report (dated May 2 2011) The corrected filing (errata filing) which re-submitted the report with corrected Table 6 is accessible at

http://www.caiso.com/Documents/May32011ErrataQ1_2010quarterlyprogresscomprehensivestatusreportd ocketnosER08-1317 ER11-1830.pdf

2010

Q4 2010 report (dated January 31, 2011). This quarterly report is combined with the ISO's Comprehensive Status Report Following Completion of the Study Phase for Projects in the Transition Cluster (found at ISO link

http://www.caiso.com/Documents/January31 2011Q42010quarterlyprogress comprehensivestatusreportindocketno_ER08-1317-000_GIPRamendment_.pdf).

Q3 2010 report (dated October 29, 2010) (ISO link http://www.caiso.com/283e/283ed0906b500.pdf).

Q2 2010 report (dated July 30, 2010) (ISO link http://www.caiso.com/27e3/27e3d90ce6a0.pdf).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORP INTERCONNECTION QUEUE – COMPREHENSIVE REPORT FOR CLUSTERS 1 & 2 Docket Nos. ER08-1317-___, ER11-1830-___

Q 1 2010 report (dated April 30 2010) (ISO link http://www.caiso.com/2788/2788c4ca34340.pdf).

2009

Q4 2009 report (dated January 29, 2010) (ISO link http://www.caiso.com/272d/272dbd991d4c0.pdf).

Q3 2009 report (dated October 30, 2009) (ISO link http://www.caiso.com/2457/2457e6f4470c0.pdf).

Q2 2009 report (dated July 30, 2009) (ISO link http://www.caiso.com/2403/2403907271f30.pdf).

Q1 2009 report (filed April 30, 2009) (ISO link http://www.caiso.com/23a0/23a0de6d701a0.pdf).

2008

Q 4 2008 report (filed Feb 27 2009) (ISO link http://www.caiso.com/2362/2362d4e612850.pdf).

CURRENT STATUS AND HISTORY OF COMPONENTS COVERED IN REPORT

Given that the CAISO's interconnection processes have been revised over time, the interconnection queue consists of various queue components: For the purposes of this report the CAISO will focus on the Cluster 1 & 2 studies and other issues with the GIP related to these two clusters (formerly the LGIP process). Throughout the CAISO quarterly reports, the CAISO has referred to Cluster 1 as queue component 1 and Cluster 2 as queue component 2:

 Component 1: the first queue cluster: the first group of interconnection requests received during an open request window (June 2, 2008 to July 31, 2009)

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the GIP Tariff Amendment governs further processing.

 Component 2: the second queue cluster: the second group of interconnection requests received during an open request window (October 1, 2009 to January 31, 2010)

² The component numbers generally correspond to time (i.e. Component 1 generally consists of that group of interconnection requests that are oldest in time). However, this is not exactly so, as the groupings were also based on common characteristics (i.e. studies were already completed) that make collective treatment of the individual requests within the group more logical. This means that some interconnection requests which were older in time are part of Component 2 rather than Component 1.

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the GIP Tariff Amendment governs further processing.

Component 1: The First Queue Cluster

The current breakdown of interconnection customer projects in Cluster 1 following the completion of the Cluster I and 2 Phase II studies by technology is as follows:

| Table 1 | | | | | | | | |
|--|---------------|-----------|----------|--------|---|---|--|--|
| First Queue Cluster Interconnection Customers | | | | | | | | |
| Categ | gorized by Pı | ime Mo | ver Tecl | nology | | | | |
| Prime Mover | Number | Technolog | | | | y | | |
| Prime Mover | Number | WTR | NU | NG | S | W | | |
| Steam Turbine | 2 | | 1 | | 1 | | | |
| Photovoltaic | 8 | | | | 8 | | | |
| Wind Turbine | 2 | | | | | 2 | | |
| Combustion Turbine | 0 | | | 0 | | | | |
| Hydraulic Turbine | 1 | 1 | | | | | | |
| Total | 13 | 1 | 1 | 0 | 9 | 2 | | |
| WTR=Water; NU=Nuclear; NG=Natural Gas; S=Solar; W=Wind | | | | | | | | |

Under the Cluster LGIP, Cluster 1 and Cluster 2 underwent separate Phase I interconnection studies, and then were studied together in a combined Phase II interconnection study process.

Component 2: The Second Queue Cluster

The current breakdown of interconnection customer projects in Cluster 2 following the completion of the Cluster I and 2 Phase II studies by technology is as follows:

| Table 2 | | | | | | | | |
|--|---------------------------------------|---|----|----|---|-----|--|--|
| Second Queue Cluster Interconnection Customers | | | | | | | | |
| Categor | Categorized by Prime Mover Technology | | | | | | | |
| Prime Mover | Number | | | | | | | |
| Prime Wover | Number | G | NG | S | W | WTR | | |
| Steam Turbine | 1 | 1 | | | | | | |
| Photovoltaic | 17 | | | 17 | | | | |
| Wind Turbine | 4 | | | | 4 | | | |
| Combined Cycle | 3 | | 3 | | | | | |
| Combustion Turbine | 1 | | 1 | | | | | |
| Reciprocating Engine | 1 | | 1 | | | | | |
| Total | 27 | 1 | 5 | 17 | 4 | 0 | | |
| B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind | | | | | | | | |

Review of Quarterly Progress of Cluster 1 & 2 Projects Progression

Under the CAISO's cluster process, customers provide interconnection financial security for construction of the necessary network upgrades and participating transmission owner interconnection facilities in three installments, with the first and second installments being made in advance of start of construction. The first financial security instrument posting serves as the demarcation to determine what interconnection requests continue from the Phase 1 interconnection studies to Phase 2. Only those customers who make the first interconnection financial security (IFS) posting will be included in the Phase 2 interconnection studies; the remaining interconnection requests will be deemed withdrawn. In a similar manner, the second IFS posting allows an interconnection project to proceed into the interconnections agreement process following the Phase 2 studies identify the revised network upgrades and participating transmission owner interconnection facilities necessary to safely and reliably interconnect each project.

Tables 3 and 4 below show the number of projects that continue as active projects at the end of each quarter. The quarter that is highlighted in yellow shows the quarter that the first IFS postings were due (90 days after the customer receives their Phase 1 report). Cluster 1 shows that some customers wait until after their posting due date has passed to inform the CAISO of their withdrawal (the four withdrawals in Q4 2010), while

other customers do not wait and withdraw after their study results meeting without waiting until they are out of time to post (the four withdrawals in Q3 2010).

Component 1: The First Queue Cluster

| Table 3 | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Queue Component 4: Requests Within the First | 03 2011 | 02 2011 | 01 2011 | 04.2010 | 03 2010 | 02 2010 | 01 2010 | Q4 2009 |
| Queue Cluster under GIPR LGIP | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 | Q4 2009 |
| Active Projects as of beginning of Quarter | 13 | 13 | 14 | 18 | 22 | 23 | 23 | 37 |
| Number of Interconnection Requests that withdrew | 0 | 0 | 0 | 4 | 4 | 1 | 0 | 1.4 |
| during the Quarter | U | U | U | 4 | 4 | 1 | U | 14 |
| Projects Completed during the Quarter | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Active Projects as of end of Quarter | 13 | 13 | 13 | 14 | 18 | 22 | 23 | 23 |

Under the Cluster LGIP, Cluster 1 and Cluster 2 underwent separate Phase I interconnection studies, and then were studied together in a combined Phase II interconnection study process. The Cluster 1 had their Phase I studies completed in the July to early August 2010 time frame and their Phase II study process was completed during August 2011, in combination with Cluster 2 projects.

Component 2: The Second Queue Cluster

| Table 4 | | | | | | | |
|--|---------|---------|---------|----------|---------|---------|---------|
| Queue Component 5: Requests Within the Second | 03 2011 | O2 2011 | 01 2011 | O4 2010 | O3 2010 | 02 2010 | Q1 2010 |
| Queue Cluster under GIPR LGIP | Q3 2011 | Q2 2011 | Q1 2011 | Q 1 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
| Active Projects as of beginning of Quarter | 27 | 27 | 36 | 37 | 39 | 44 | 44 |
| Number of Interconnection Requests that withdrew | 0 | 0 | Q | 1 | 2 | 5 | 0 |
| during the Quarter | U | U | 9 | 1 | 2 | 3 | U |
| Projects Completed during the Quarter | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Active Projects as of end of Quarter | 27 | 27 | 27 | 36 | 37 | 39 | 44 |

The second queue cluster (Cluster 2) had their Phase I studies completed mid November 2010 and their Phase II study process was completed during August 2011, in combination with Cluster 1 projects. The Cluster 1 and 2 Phase II study process included the 65 SGIP transition cluster projects that were transitioned into the GIP study process from the SGIP as part of the GIP-1 revisions. Now that the Phase II reports have been issued, the PTOs are working towards sending draft interconnection agreements to the interconnection customers who have not withdrawn since the Phase II reports were issued.

REVISIONS TO THE INTERCONNECTION PROCESS THAT IMPACTED CLUSTERS 1 & 2

Initial Observations

The Commission contemplated that the comprehensive reporting requirement following the completion of the study cycle for the transition cluster might be the first opportunity for the Commission to "check in" on the ISO cluster process, obtain feedback as to how the cluster process was unfolding and evaluate whether the "increasing generator commitment" advanced posting requirement was serving the purpose in clearing unviable projects from the queue or whether it needed recalibrating.

As we noted in the last comprehensive report, the interconnection tariff has not remained static since the 2008 GIP Amendment. Rather, the CAISO has amended the interconnection tariff twice in the interim; between the initial adoption of the Cluster LGIP in 2008 and in 2009 the CAISO amended the Cluster LGIP during the time period between the CAISO's completion of the Phase I interconnection studies and the start of Phase II studies. In 2010, the CAISO adopted the GIP which consolidated the SGIP and LGIP into one tariff process though most projects, regardless of size, would be studied under a cluster approach. The CAISO and the GIP stakeholders have now completed yet another stakeholder process for a new GIP iteration, (alternatively called GIP-2 or GIP Phase 2) The CAISO started this process in March 2011 and brought a proposal to the CAISO Board in August. The CAISO Board approved the GIP Phase 2 proposal on August 25, and the CAISO is anticipating filing the GIP Phase 2 tariff amendment by the end of November 2011.

In the GIP Phase 1 stakeholder process, it quickly became apparent, and most stakeholders agreed, that the best way to reform the SGIP was to integrate the small process into the LGIP. Furthermore, the GIP 1 incorporated features of the CAISO's accelerated 2010 interconnection study schedule used to accommodate customers applying for Federal Stimulus Cash Grant funding under the American Recovery and

Reinvestment Act of 2009 (ARRA). These efforts proved that the process timeline could be condensed successfully. The GIP Phase 1 tariff revisions reduced the Phase I and Phase II study timeline from 750 calendar days down to 420 calendar days. This reduced study time enabled the CAISO to fashion the GIP to allow for small projects (20 MW and less) to be incorporated into the clustered study process, which was an essential component of GIP Phase 1.

There are a few issues with the clustered approach that the CAISO continues to deal with, including (i)managing the schedule of the three PTOs and the CAISO to keep the study process within the allotted timeline and (ii) having to issue a large number of study reports in a short period of time at the completion of each study phase. While there will continue to be a need to manage these issues, the level of concern should decrease as the process become less novel and more routine for all parties.

As part of the CAISO's continued evaluation of the cluster process the CAISO gathered of feedback and made refinements to "the increased financial commitment" for interconnection customers as it relates to the financial security postings. The CAISO reduced the posting requirements in the 2009 Cluster LGIP amendment, and further reduced the posting application by capping the second posting in the GIP Phase 1 Amendment. With completion of the GIP Phase 2 stakeholder effort, a next effort of concentration will relate to tracking the PTOs efforts to provide and negotiate each interconnection agreement in a timely manner. As FERC noted in its September 2008 Order on the GIPR, the effort to issue and negotiate interconnection agreements in a concentrated fashion after the end of the interconnection study process has proved challenging.

Tariff Changes Since the Study Process for the Cluster Projects Began

The 2009 LGIP Amendment. The 2009 amendment brought about two primary changes: first, a reduction in the dollar amounts of the financial security posting requirements; secondly, the caps on amounts of the customer financial security posting that the CAISO retains (and the customer effectively forfeits) if the customer withdraws

for certain specified reasons which are beyond the customer's control. This change lowered the amount of deposit that the customer has at risk if it withdraws.

The GIP. The GIP affects large generator requests in essentially four ways. First, the study deposit amount is now based in part on the MW size of the proposed facility, so that large facilities sized between 20 and 199 MW are subject to smaller study deposit requirements.³ Secondly, large projects that can move at an expedited pace and are electrically independent may qualify for the independent study process track which progresses faster than the cluster process. Thirdly, under GIP a \$15 million cap is placed on large generator second financial security deposits, thus lowering the deposits if the 30% deposit amount for network upgrades exceeds \$15 million. Fourthly, the GIP altered the Cluster LGIP study scheme under which formerly the CAISO would open two queue cluster windows each year and conduct the Phase I study for each of those windows in that same year and then perform a combined Phase II for those queue clusters in the subsequent calendar year. Under the GIP, the CAISO shortened the timeline, by having only one queue cluster window in March of each calendar year and a study process consisting of one shortened Phase I study, which begins every June 1, followed by a shortened Phase II study beginning in January of the following year.

As a result, the GIP has reduced the Phase I through Phase II study timeline to 420 calendar days as compared with the Cluster LGIP's 750 calendar days. An October window was also added to allow customers to participate in an early scoping meeting on their project. Following the early scoping meeting a customer can either keep the project unchanged for the next Phase I study with the projects that entered in the subsequent March queue cluster window, or make changes to the project and resubmit the it in the next window in March.

deposits, and are billed for excess over deposit or are returned any excess deposit.

³ The study deposit is comprised of a \$50,000 component plus an incremental portion based on 1,000 per MW, with a cap at \$250,000 (which was the Cluster LGIP maximum). Accordingly, facilities sized at 20 MW would deposit \$70,000 (\$50,000 + \$20,000) and facilities sized at 199 MW would deposit \$249,000 (\$50,000 + \$199,000). The deposit fee for facilities from 20 to 199 MW would deposit less than the \$250,000 required before GIP. Ultimately, all customers pay actual costs which are deducted from

The CAISO Has Worked on Further GIP Refinements (GIP-2) in 2011

The CAISO conducted further process refinements in 2011 in an eight-month stakeholder process, culminating in an additional tariff amendment filing expected to be filed in by the end of November 2011. The 2010 GIP effort concentrated almost entirely upon small generator interconnection. The 2011 effort focused primarily on issues that were not able to be resolved during the 2010 reform process due to the aggressive schedule of reform process that was needed to resolve the small project study process as quickly as possible.

Among others, these changes will result in greater clarity in the CAISO's interconnection process as to when a study report is "final" for purposes of triggering the interconnection financial security posting deadlines, differentiating between the issuance of a revised final study report, which can affect the timeframe for financial security postings and the issuance of an addendum to the final study report. The CAISO proposes to revise several sections in the GIP to make those modifications.

The following table represents the issue of topics that were taken and approved by the August 2011 CAISO Board meeting.

Generator Interconnection Procedures Phase 2 Initiative

(Items that require tariff changes)

| Item No. | Topic |
|-------------|--|
| 1 | Generators interconnecting to non-participating transmission owner facilities in |
| | <u>CAISO balancing authority area</u> - Develop procedures to perform deliverability |
| | studies when a generator is connecting to the transmission facilities of a non- |
| | participating transmission owner that is located inside the CAISO balancing authority |
| | area. |
| 2 | <u>Triggers for Financial Security Posting Deadlines</u> – Add a new step in the CAISO |
| | study process to allow the interconnection customer to review and comment on draft |
| | study reports and develop provisions on the concept of "substantial errors" that would |
| | trigger a revision of a report. |
| 3 | <u>Definitions of start of construction and other transmission construction phases</u> |
| | and posting requirements at each milestone – Include new provisions to allow |
| | generation projects to post the third and final security posting based on the separate |
| | and discreet generation phases being built. |

| Item | |
|------|--|
| No. | Topic |
| 4 | <u>Information provided by CAISO through internet postings</u> – Develop new tariff |
| | guidelines to clearly state what information the CAISO considers to be confidential |
| | and must be posted to a protected CAISO web site. |
| 5 | Reduction in generator project size for permitting or other extenuating |
| | <u>circumstances</u> – Allow developers to reduce the size of their project by 5% after |
| | execution of the interconnection agreement for any reason, and greater than 5% for |
| _ | environmental or permitting reasons on a case by case basis. |
| 6 | Repayment of interconnection customer funding for network upgrades associated |
| | with phased generation facility – Develop new tariff guidelines to allow a phased |
| | generation project to be repaid for network upgrades based on when the commercial |
| | operation date of the generating facility is placed in service and the sequence of |
| | corresponding network upgrades specified in the interconnection agreement is achieved. |
| 7 | Accommodate qualifying facility conversions, repowering, deliverability at |
| / | distribution level and other special circumstances associated with small projects, |
| | including potential modifications to independent study process and fast track |
| | study process – (1) Add provisions explaining how a review would be conducted to |
| | determine whether a repowering or reconfiguring generation project will be subject to |
| | interconnection procedures,(2) add provisions how a review would be conducted when |
| | a qualifying facility converts to a participating generator status, (3) add new tariff |
| | procedures to allow the fast track study process to apply to existing facilities of 5 MW |
| | or less, (4) add new tariff guidelines to apply technical and business criteria for |
| | facilities using the independent study process, and (5) clarify how resources can |
| | maintain their deliverability when repowering or reconfiguring. |
| 8 | Second and third financial security posting requirements to offset participating |
| | transmission owner funded network upgrades (incorporating CAISO's |
| | interconnection procedures 2010 tariff waiver into generator interconnection |
| | procedures) - Add tariff provisions to allow an interconnection customer to be |
| | relieved of the obligation to post the second and third financial security postings for |
| | network upgrades that the participating transmission owner has committed to upfront |
| 0 | fund on behalf of the interconnection customer. |
| 9 | <u>Interconnection agreement insurance requirements</u> – Revise insurance |
| | requirements in the interconnection agreement to relieve the CAISO from procuring insurance, to add others as additional insurers and to require the participating |
| | transmission owner to tender insurance information only when requested by the |
| | interconnection customer. |
| 10 | Adjusted versus non-adjusted dollars in interconnection study reports and |
| 10 | interconnection agreements – Standardize the use of time-adjusted dollar |
| | calculations used by the participating transmission owners in the calculation of |
| | interconnection and study cost reports. |
| 11 | Financial responsibility cap and maximum cost responsibility – Clarify that the |
| | interconnection customer's maximum cost responsibility is the lower of the phase 1 or |
| | phase 2 interconnection study cost estimates. |
| 12 | "Posting cap" to financial security postings of participating transmission owner's |
| | <u>interconnection facilities</u> – Clarify that the financial security posting requirements |
| | for the participating transmission owner's interconnection facilities is the same as for |

| Item No. | Торіс |
|-------------|---|
| | the participating transmission owner's network upgrade financial security posting requirements. |
| 13 | <u>Interconnection agreement suspension rights</u> – Amend the suspension provisions to clarify the conditions under which an interconnection customer could suspend network upgrades that are common to multiple generating facilities. |
| 14 | Participating transmission owner 100% abandoned plant recovery – Add new abandoned plant provisions to apply to prudently incurred expenses when the participating transmission owner is required under certain circumstances to upfront finance network upgrades if an interconnection customer withdraws, if a change in the base case causes additional network upgrades to be constructed above the maximum cost responsibility of the generators, or if through the transmission planning process additional network upgrades are required that had not been set forth in the interconnection agreement. |
| 15 | <u>Partial deliverability as interconnection option</u> – Add provisions to allow an interconnection customer to select partial deliverability as an option in the study process. |
| 16 | <u>Technical requirements under interconnection agreement</u> – Apply the same technical requirements for both small (up to 20 MW) and large (greater than 20 MW) asynchronous generators that connect to the CAISO grid. |
| 17 | Off-peak deliverability assessment – Amend the tariff provisions requiring the CAISO to conduct an off-peak deliverability study for interconnecting generators where the fuel source substantially occurs during the off-peak hours (i.e., wind) to state that the off-peak deliverability assessments are performed for informational purposes only. |
| 18 | Operational partial and interim deliverability assessment – Add new tariff authority to perform an operational partial and interim deliverability assessment as part of the cluster phase 2 interconnection study. |

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in 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. § 385.2010).

Dated this 22nd day of November, 2011 at Folsom, California.

Isl Anna Pascuzzo
Anna Pascuzzo