

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's own motion to improve distribution level interconnection rules and regulations for certain classes of electric generators and electric storage resources.

Rulemaking 11-09-011
(Filed September 27, 2011)

**COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION ON THE
MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT REVISING
DISTRIBUTION LEVEL INTERCONNECTION RULES AND REGULATIONS**

The California Independent System Operator Corporation ("ISO") submits these comments regarding the "Motion for Approval of Settlement Agreement Revising Distribution Level Interconnection Rules and Regulations" filed in this proceeding on March 16, 2012 ("March 16 Motion"). The ISO submits its comments pursuant to Rule 12.2 of the Commission's Rules of Practice and Procedure. As discussed below, the ISO does not oppose the Settlement Agreement attached to the March 16 Motion.

I. Comments

The Settlement Agreement at issue involves revisions to Electric Rule 21, as incorporated into the tariffs of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the "IOUs").¹ The revisions to Rule 21 are meant to improve the Commission-jurisdictional interconnection process so as to better facilitate the interconnection of exporting generating facilities and storage technologies. Although the

¹ The Settlement Agreement also includes revised interconnection agreements and interconnection request forms for each IOU.

ISO is not a signatory to the Settlement Agreement, the ISO does not oppose the Settlement Agreement.

Because Rule 21 governs distribution-level interconnections and other interconnections under the jurisdiction of the Commission, the ISO is not subject to Rule 21. However, in the interest of ensuring the greatest degree of consistency between the ISO's FERC-jurisdictional interconnection process and the Rule 21 process, the ISO has worked with the Commission and parties during the development of the revised Rule 21. Under the revised Rule 21, the ISO will have a role in terms of coordinating with the IOUs, when applicable, regarding study results and determinations of whether projects are electrically independent from the transmission grid operated by the ISO.

The ISO notes with approval the language in the revised Rule 21 clarifying that the Rule 21 interconnection process is not a vehicle for an applicant to obtain a deliverability assessment,² and that customers that wish to obtain a deliverability assessment must do so pursuant to the IOUs' FERC-jurisdictional wholesale interconnection tariffs or the ISO's interconnection process. However, in order to enhance the ability of smaller resources to contribute to California's renewable resource goals, the ISO is currently engaged in a stakeholder process regarding deliverability for distributed generation projects that is intended to facilitate the ability of certain resources interconnecting under the Rule 21 process to obtain deliverability status under the ISO's tariff.³

² Deliverability is defined in the ISO Tariff in terms of either "Full Capacity Deliverability" or "Partial Capacity Deliverability."

³ Materials regarding this ISO stakeholder process are available on the ISO's website at <http://www.caiso.com/informed/Pages/StakeholderProcesses/DeliverabilityforDistributedGeneration.aspx>.

II. Conclusion

The ISO respectfully requests that the Commission consider the comments provided above.

Respectfully submitted,
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