

145 FERC ¶ 61,223
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 19, 2013

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER14-84-000

California Independent System
Operator Corporation
Attention: Sidney M. Davies
250 Outcropping Way
Folsom, CA 95630

Dear Ms. Davies:

1. On October 15, 2013, the California Independent System Operator Corporation (CAISO) submitted, pursuant to section 207 of the Federal Power Act (FPA),¹ a petition seeking Commission approval to distribute funds forfeited by interconnection customers that withdrew from CAISO's interconnection queue. CAISO also requests confidential treatment of Attachments 1 and 2 of its filing, in accordance with 18 C.F.R. § 388.112.² As discussed below, we grant CAISO's petition.
2. CAISO explains that the generator interconnection procedures set forth in Appendix Y of CAISO's open access transmission tariff (tariff) require each interconnection customer to submit an interconnection study deposit to initiate an interconnection request, and to make periodic financial security postings toward the cost of network upgrades. If an interconnection customer fails to achieve the specified project milestones prior to withdrawing from the queue, these funds are forfeited.³
3. CAISO states that these forfeited funds are subsequently allocated, with accrued interest, to the scheduling coordinators of eligible market participants in accordance with the formula in section 37.9.4 of its tariff. Further, CAISO explains that, pursuant to

¹ 18 C.F.R. § 385.207 (2013).

² CAISO October 14, 2013 Filing at 1 (CAISO Filing).

³ *Id.* at 2.

section 37.9.4 of its tariff, it must obtain the Commission's approval to distribute the forfeited funds prior to any disbursement.⁴

4. In the instant filing, CAISO seeks approval to distribute the funds that were forfeited during the 2011 and 2012 calendar years, plus accrued interest. CAISO purports that each scheduling coordinator's share of these forfeited funds is developed consistent with the CAISO tariff section 37.9.4 as a ratio of the grid management charge that each scheduling coordinator incurred during the applicable calendar year. In Attachments 1 and 2, CAISO sets forth the calculation of each participant's share of the forfeited funds.⁵ CAISO states that once it receives Commission approval to distribute these forfeited funds, the final interest amount will be recalculated to correspond to the actual day on which the distribution will occur.

5. Notice of CAISO's filing was published in the *Federal Register*, 78 Fed. Reg. 62,610 (2013), with interventions and protests due on or before November 5, 2013. Timely motions to intervene were submitted by Pacific Gas and Electric Company, Northern California Power Agency, the California Department of Water Resources State Water Project, and Southern California Edison Company. No comments or protests were filed. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. We find that CAISO's proposal to distribute forfeited funds to market participants, as stated in Attachments 1 and 2 to its filing is just and reasonable. The methodology in CAISO's proposal is consistent with the relevant provisions in its tariff for allocating and distributing forfeited funds to scheduling coordinators. Therefore, we grant CAISO's petition to distribute the forfeited funds according to Attachments 1 and 2, subject to CAISO's final interest calculation.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁴ *Id.* at 3-4.

⁵ CAISO states that it had a total of \$19,729,900 in forfeited funds for 2012 and a total of \$423,200 in forfeited funds for 2011. *Id.* at 4.