

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

**California Independent System)
Operator Corporation)** **Docket No. ER12-2643-002**

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTIONS TO INTERVENE AND COMMENTS**

The California Independent System Operator Corporation (“ISO”)¹ files this answer to the motions to intervene and comments submitted² in response to the ISO’s April 15, 2013 filing to comply with the Commission’s November 16, 2012 order.³ As explained below, the Commission should accept the April 15 compliance filing subject to certain minor tariff clarifications proposed by commenters which the ISO agrees should be made in a further compliance filing.

¹ Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the ISO tariff, as revised by the proposed tariff changes contained in the compliance filing submitted in this proceeding. Except where otherwise specified, references to section numbers are references to sections of the ISO tariff as revised by the proposals in the compliance filing.

² Motions to intervene and comments were submitted by: the Alliance for Retail Energy Markets; California Department of Water Resources State Water Project (“SWP”); California Public Utilities Commission (“CPUC”); Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, “Six Cities”); Energy Producers and Users Coalition; Pacific Gas and Electric Company (“PG&E”); and Southern California Edison Company (“SCE”).

³ *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,132 (2012) (“November 16 order”).

I. Answer

A. It Is Appropriate to Define the Assignment of Deliverability Status in terms of Utility Distribution Companies and Metered Subsystems

SWP argues that the ISO should revise its tariff to state that not only utility distribution companies and metered subsystems can use potential distributed generation (“DG”) deliverability to assign deliverability status to DG resources, but that load-serving entities such as SWP can do so as well.⁴

In the November 16 order, the Commission explained that it was appropriate to assign available potential DG deliverability to load-serving entities because using the load-serving entities’ *existing distribution-level interconnection processes* would satisfy the requirements for nondiscriminatory interconnection of DG resources.⁵ Therefore, as explained in the ISO’s April 15 compliance filing, the ISO utilized the terms utility distribution company and metered subsystem to define those entities that will allocate deliverability status under this process, because it is those entities that own distribution systems that are used to interconnect DG resources that will potentially benefit from deliverability status assigned under this process.⁶ Accordingly, there is nothing unduly discriminatory about the ISO’s proposal to define the assignment of deliverability status using the terms utility distribution companies and metered subsystems. Rather, it is consistent with the Commission’s directive to assign

⁴ SWP at 1-2.

⁵ November 16 order at PP 46-51.

⁶ Transmittal letter for April 15 compliance filing at 6-7.

deliverability status to DG resources in a manner that is consistent with *existing distribution-level interconnection processes*.

Moreover, as its filing makes clear, SWP does not have any distribution projects connected to its system nor has it received any requests to interconnect such projects to its system.⁷ The ISO also understands that SWP does not have either a distribution system or an interconnection process. If this were to change, the ISO would consult with SWP to determine how best to accommodate its participation with other utility distribution companies in the allocation of DG deliverability status to DG resources interconnecting to its distribution facilities.⁸ The Commission should not, however, require the ISO to expand the definition of the entities responsible for assigning deliverability status to DG resources, unless and until necessary.

B. Additional References in the Tariff to the Business Practice Manual are Unnecessary.

The CPUC proposes revisions to tariff section 40.4.6.3.2.1 to state that the relationship between the megawatt (MW) amount of potential DG deliverability identified at a grid location and the corresponding MW energy production level modeled in the ISO's deliverability studies is "clearly described in a Business Practice Manual and/or a technical document referenced within a Business Practice Manual."⁹

⁷ SWP at 2.

⁸ There would even be ample time to file a tariff amendment, if necessary, in the event SWP develops a distribution system and an interconnection process and in the event SWP cannot fit within the existing definitions of either utility distribution system or metered subsystem.

⁹ CPUC at 2.

There is no need to revise section 40.4.6.3.2.1 as CPUC proposes because the section already states that the relationship between the MW amount of potential DG deliverability and the corresponding MW of eligibility for resource adequacy credit that can be awarded is “described further in a Business Practice Manual.”¹⁰ This tariff language referencing implementation detail in the Business Practice Manual is clear without the additional verbiage proposed by the CPUC.

C. PG&E Can Process Applications and Assign Deliverability Status Pursuant to the Terms of the ISO’s DG Deliverability Tariff Provisions

PG&E requests that the Commission acknowledge or affirm that PG&E has authority or authorization to process applications for, and to assign, deliverability status to DG resources in the absence of a Commission-approved wholesale distribution tariff authorizing PG&E to provide such services.¹¹ Although the ISO does not oppose this request, the ISO submits that the ISO tariff provisions included in the April 15 compliance filing provide ample authority for PG&E (and other entities with distribution-level interconnection customers) to process applications for and assign deliverability status to DG resources in accordance with the terms of the ISO tariff.¹²

¹⁰ As shown in section 40.4.6.3.2.1 of the black-line provided in Attachment B to the April 15 compliance filing, the tariff provision stating that the relationship is described further in a Business Practice Manual was accepted in the November 16 order.

¹¹ PG&E at 6.

¹² See proposed ISO tariff sections 40.4.6.3.2.2.1 and 40.4.6.3.2.3.

D. The ISO Agrees that the Minor Tariff Clarifications Proposed by PG&E and SCE Should be Submitted in a Further Compliance Filing.

PG&E proposes that tariff section 40.4.6.2.2.1 be revised to require that DG resources submit applications to obtain deliverability status assignments to either the applicable participating transmission owner or the ISO, but not to both as was proposed in the April 15 compliance filing.¹³ Upon consideration of this comment, and based on the fact that the applicable participating transmission owner is the administrator of the distribution interconnection process and has a direct relationship with the DG resource, the ISO agrees that section 40.4.6.2.2.1 should be clarified in a further compliance filing to state that the application should be submitted only to the applicable participating transmission owner. To ensure that the ISO receives a copy of the application, the ISO believes that the section should also be revised on further compliance to state that the applicable participating transmission owner is obligated to forward a copy of the completed application to the ISO.

Also, PG&E and SCE propose technical corrections to tariff sections 40.4.6.3.1.1 and 40.4.6.3.2.2.1 to clarify the meaning of those sections and conform the tariff to the ISO's intent.¹⁴ The ISO agrees that these proposed minor revisions are appropriate and should be made in a further compliance filing.

¹³ PG&E at 4-5.

¹⁴ PG&E at 7; SCE at 2-4.

II. Conclusion

For the reasons explained above and in the April 15, 2013 compliance filing, the Commission should accept the compliance filing subject to minor revisions to be made in a further compliance filing.

Respectfully submitted,

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Dated: May 13, 2013

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 13th day of May, 2013.

/s/ Bradley R. Miliauskas

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