

151 FERC ¶ 61,188
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

May 29, 2015

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER14-2586-001

California Independent System
Operator Corp.
250 Outcropping Way
Folsom, CA 95630

Attention: Roger Collanton

Dear Mr. Collanton:

1. On December 3, 2014, the California Independent System Operator Corporation (CAISO) submitted a filing to comply with the Commission's November 3, 2014 order¹ in this proceeding accepting in part and rejecting in part CAISO's August 4, 2014 filing to comply with Order No. 792.² In this order, the Commission conditionally accepts CAISO's filing and directs CAISO to make a further compliance filing within 30 days of the date of this order, as discussed below.
2. CAISO explains that the November 3 Order conditionally accepted its proposed pre-application report, but directed CAISO to clarify that it will include information on available transmission capacity at the proposed point of interconnection in the pre-application report. CAISO states that it will include this information in the pre-application report.

¹ *California Independent System Operator Corp.* 149 FERC ¶ 61,100 (2014) (November 3 Order).

² *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,159 (2013) (Order No. 792), *clarifying*, Order No. 792-A, 146 FERC ¶ 61,214 (2014).

3. CAISO notes that the November 3 Order rejected its proposed fast track review, supplemental review, customer options meeting, and fast track interconnection screens. The Commission found in the November 3 Order that CAISO's proposal did not contain Order No. 792's balance between a swift, inexpensive review and ensuring the safe and reliable operation of the grid. In the November 3 Order, the Commission found that CAISO's proposal was expensive and forced all potential fast track customers to go through both an initial and supplemental review.³ In the instant filing, CAISO proposes to restructure its fast track interconnection process to include separate initial and supplemental review processes adopted by the Commission in Order No. 792.⁴ CAISO also proposes to eliminate a \$25,000 study deposit fee and a \$500 processing fee. CAISO proposes language specifying that the applicable participating transmission owner will complete the initial review within 30 calendar days after CAISO notifies the interconnection customer that its interconnection request is complete.

4. For the purpose of the initial review, CAISO proposes to retain a screen allowing fast track interconnections to the CAISO grid.⁵ CAISO states this provision makes clear that the fast track process only applies to the interconnection facilities under CAISO's control. CAISO also proposes to retain a screen that assesses whether the aggregated generation on the circuit, including the proposed generating facility, exceeds 15 percent of the line section annual peak load.⁶

5. CAISO states that it has adjusted two screens to be consistent with the November 3 Order, which found CAISO's deviations from the *pro forma* screens to be inadequately justified.⁷ CAISO proposes to reinstate a maximum threshold of 10 percent to the screen assessing the generating facility's contribution to a circuit's maximum fault current.⁸ CAISO also proposes to reinstate a threshold of 87.5 percent to the screen to assess whether the generating facility may exceed a specific percentage of the short circuit interrupting capability of transmission protective devices and equipment.⁹

³ November 3 Order, 149 FERC ¶ 61,100 at P 38.

⁴ CAISO December 3, 2014 Filing at 6 (CAISO Filing).

⁵ *Id.*

⁶ *Id.* at 7.

⁷ November 3 Order, 149 FERC ¶ 61,100 at P 41.

⁸ CAISO Filing at 7.

⁹ *Id.* at 8.

6. CAISO proposes to include an initial review screen that assesses when a generating facility seeks to interconnect in an area where there are known transient stability, voltage, or thermal limitations as identified in CAISO's most recently completed queue cluster studies or transmission planning process. CAISO notes that the November 3 Order directed CAISO to explain why it included voltage and thermal limitations in the initial review screen. CAISO argues that limitations are appropriate to consider because the addition of a generator in an area where CAISO has recently identified thermal or voltage limitations could potentially exacerbate these conditions and either drive the need for a new upgrade or require the review and possible modification of an upgrade already identified in existing studies.¹⁰

7. CAISO also proposes to eliminate the *pro forma* screen involving the interconnection of a proposed generating facility to the load side of spot network protectors. CAISO states that this provision is not applicable to interconnection facilities under CAISO's control.¹¹

8. CAISO notes that it is applying fewer screens than the Commission's *pro forma* tariff in its proposed initial review process, and that it is applying the process to all facilities on the CAISO grid, not just those rated at 69 kV or below.¹² CAISO also explains that its proposed tariff revisions would provide customers that pass the screens or are otherwise determined to be able to safely and reliably interconnect with the grid with interconnection agreements within 15 business days.¹³ CAISO states that this timeframe would allow it to coordinate with participating transmission owners to prepare the interconnection agreement.

9. With respect to the customer options meeting, CAISO states that it now proposes to incorporate *pro forma* tariff language from Order No. 792 with only minor deviations. CAISO also includes language clarifying that an interconnection customer will not need to resubmit an interconnection request if it fails the fast track interconnection screens and decides to continue to proceed under the independent study process or the next queue cluster study process, so long as the customer provides the required study deposit.¹⁴

¹⁰ *Id.*

¹¹ *Id.* at 7.

¹² *Id.* at 9.

¹³ *Id.*

¹⁴ *Id.* at 10.

10. With respect to its proposed supplemental review process, CAISO states that it is using the supplemental review process contemplated by Order No. 792 with two significant deviations.¹⁵ First, CAISO states that it would include a revision to allow CAISO, the participating transmission owner, and the interconnection customer to agree to extend the timeframe for the supplemental review. Second, CAISO proposes to modify the voltage and power quality standard to allow CAISO to reference the specific voltage standards it applies when studying and operating its system.

11. CAISO also states it has modified its independent study process to be consistent with the directives of the November 3 Order.¹⁶ CAISO notes that in the November 3 Order, the Commission directed CAISO to include an interconnection customer's written comments in the study report prepared under the independent study process. In the instant filing, CAISO proposes tariff language allowing the interconnection customer to provide written comments between ten and three business days prior to the results meeting and to require CAISO to address those comments in the results meeting. CAISO notes that any comments issued after the three business day cutoff but prior to the results meeting will be addressed informally. CAISO further states that written comments issued after the results meeting may be included in an addendum to the written report on the results meeting.

12. CAISO notes that the Commission directed it to include tariff provisions to provide interconnection customers with supporting documentation, workpapers and databases or data developed in the preparation of the interconnection facilities study. CAISO proposes a tariff revision providing that it will supply such documentation.¹⁷

13. Notice of CAISO's instant filing was published in the *Federal Register*, 79 Fed. Reg. 73,292 (2014), with interventions, comments and protests due on or before December 24, 2014. None was filed.

14. The Commission conditionally accepts CAISO's compliance filing and directs further compliance filing. In general, CAISO's revised tariff provisions follow the directives in Order No. 792, with acceptable independent entity variations. The revisions also correct all but one of the deficiencies identified by the Commission in its November 3 Order, as discussed below. The provisions implement an initial screening process for prospective interconnection requests where an interconnection customer has the opportunity to directly proceed to a customer options meeting and the execution of an

¹⁵ *Id.* at 10-11.

¹⁶ *Id.* at 12.

¹⁷ *Id.* at 13.

interconnection agreement after passing the initial screens. CAISO also sufficiently explains why its inclusion of voltage and thermal limits in the initial review is necessary to avoid potential reliability or operational problems.

15. While CAISO's proposal provides much greater detail on the consideration of customer written comments, CAISO must revise its tariff to provide that those written comments will be included in the interconnection facilities study report. Accordingly, the Commission conditionally accepts CAISO's compliance filing, and directs CAISO to submit a further compliance within 30 days of the date of this order with tariff revisions providing that customers' written comments will be included in the interconnection facilities study report.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.