

Revisions made to Language for Affected Systems¹

Neighboring Systems as Affected Systems

1.1 Affected System Description

The ISO Tariff defines an Affected Systems as an electric system other than the ISO controlled grid that may be affected by the proposed interconnection. For the purposes of the ISO's GIDAP process, this means any adjoining or electrically interconnected balancing authority area or transmission system that may be electrically close enough to a proposed generation project or cluster of projects such that the Interconnection Facilities, Network Upgrades, or the operation of the proposed generator could cause reliability or safety impacts on the neighboring system.

1.2 Affected System Listing and Notification

The ISO will maintain a listing of the potentially affected systems associated with each study area and will make this information publicly available on its website. The listing will contain contact information for the potentially affected system operators that the ISO will notify for all projects in the respective defined study areas. The ISO identifies potentially affected systems by general electrical and geographic proximity to each study area. This listing will also be used in the ISO's queue management process to check that the interconnection customer has contacted and worked with all potentially impacted affected system operators prior to achieving commercial operation for their projects.

The ISO will notify potentially affected system operators at the beginning of the cluster or independent study process for each interconnection request ~~so with sufficient notice such~~ that the potentially affected system operator has the opportunity to participate in scoping meetings and provide the opportunity to conduct system impact studies in parallel with the ISO's GIDAP process. Prior to the scoping meeting, tThe ISO via electronic mail will ~~only~~ provide interconnection customer contact information to affected system operators that are identified as potentially affected systems due to the interconnection request. The ISO will also provide potentially affected system operators, at the time that the first notification is given, with the ISO's interconnection study scope and schedule around which coordination will be driven to the extent possible.

Affected system operators also will be notified when study plans and base cases are posted on the ISO secure website using the market participant portal.

At the scoping meeting, the ISO will advise the interconnection customer as to which systems their interconnection is potentially affecting and will inform the applicable interconnection customers that their contact information has been or will be provided to affected system operators. The ISO will also update and advise interconnection customers as to which systems their interconnection is potentially affecting at each study phase in the study report.

¹ This document shows in redline/strikeout how the ISO has revised the language in response to stakeholder comments that was in the second Affected Systems paper that was posted on October 31, 2013. This revised language will be used in the ISO's business practice manual change management process to update appropriate business practice manuals.

The ISO will provide affected system operators notice when individual and group study results are available, and invite them to attend each study phase results meetings for each project that may impact their electric systems. At the same time as the Phase I results meetings, the ISO will again provide the potentially affected system operators with the timeline information from the ISO's interconnection process with possible study coordination dates during the ISO's Phase II study process that would facilitate timely resolution of any affected system issues.

1.3 Study Process and Methodologies

Affected system operators may enter into non-disclosure agreements with the ISO to access base case and study plan data (see the template for the reciprocal non-disclosure agreement on the ISO website). The ISO will work with the PTOs and affected system operators to facilitate the exchange of network models and other information needed for the potentially affected system operators to assess impacts on their systems. The ISO includes WDAT projects in its studies and within ISO group reports and base cases. Potentially affected WECC paths owned by a neighboring system need to be studied by following the WECC Project Coordination and Path Rating Processes.² ~~The scope of this affected path study needs to be included in the study agreements between the affected systems and generation project sponsors potentially causing the impacts.~~ The ISO will work with the PTOs, affected system operators, and the generation project sponsors to assess impacts on the potentially affected WECC path.

Six months prior to its generating unit in-service date, an interconnection customer must provide documentation to the ISO confirming that the affected system operators have been contacted, that any system reliability impacts have been addressed (or that there are no system impacts), or that the interconnection customer has taken all reasonable steps to address potential reliability system impacts with the affected system operator but has been unsuccessful. The interconnection customer should be coordinating with the ISO through the following web address: QueueManagement@caiso.com.

If the interconnection customer has been unsuccessful in resolving affected system issues, the documentation must provide sufficient details about all contacts and other attempts to work with the affected system and address system impacts. The ISO will not allow generation projects to be energized on the ISO controlled grid until affected system issues are resolved, even when an interconnection customer has made all reasonable coordination efforts with the affected system operator. If impacts cannot be mitigated within the ISO controlled grid, the ISO will advise the interconnection customer and the affected system operator that the interconnection cannot proceed.

However, if the interconnection customer's reasonable coordination efforts with the affected system operator do not result in the affected system operator moving forward on a timely ~~and reasonable~~ basis, and the ISO determines that possible impacts on the affected system can be mitigated within the ISO controlled grid, the ISO will advise the affected system operator and the interconnection customer that the interconnection can proceed without affirmative agreement by the neighboring system. If the interconnection customer and affected system differ in opinion as to the methodology used to determine the need for mitigation requiring hardware or infrastructure improvements, upon request, the ISO will confer with the parties in an attempt to resolve the differences.

² The scope of this affected path study needs to be included in the study agreements between the affected systems and generation project sponsors potentially causing the impacts.

If it becomes necessary for the ISO and/or the relevant PTO to take actions within the ISO controlled grid to mitigate possible impacts on an affected system as a result of the affected system operator not moving forward with the resolution of any such impacts on a timely and/or reasonable basis despite efforts by the interconnection customer, then the interconnection customer will be responsible for paying any costs attributable to the interconnection customer or the PTO, consistent with the ISO tariff.

To the extent that possible impacts on the affected system can be mitigated within the ISO Controlled Grid without the need for hardware or infrastructure upgrades or additions, the ISO will work with the affected system in advance of the interconnection customer's project being energized to develop operating procedures or take other necessary actions.

If an interconnection customer makes a unilateral decision that an affected system agreement is not necessary and does not reasonably attempt to address the issue with the potentially affected system operator, the ISO will advise the customer that the interconnection will not be allowed to move forward with synchronization and commercial operation unless the issue is resolved, including a demonstration by the interconnection customer that the customer has made reasonable efforts to obtain concurrence by the affected system operator that there is no reliability impact. If requested by the interconnection customer or the affected system operator, the ISO will review affected system agreements, tendered to interconnection customers and made available to the ISO, to determine whether they contain terms and conditions that could be problematic for the ISO.

If requested by the interconnection customer or the affected system operator, the ISO may review the reasonableness of the studies conducted and study results issued by the affected system operator. If the ISO has concerns, the ISO may review whether the affected system has used the information on the ISO system that the ISO provided to the affected system, and may make suggestions to the affected system. The ISO will review other issues on a case-by-case basis, either upon the request of the interconnection customer or the affected system operator, or where the ISO deems it appropriate.

ISO Controlled Grid as an Affected System

1.1 Notifying the ISO and Affected PTO(s); Study Process

Once an interconnection customer has entered the neighboring system operator's interconnection process and if it appears that there could be reliability impacts on the ISO controlled grid, the ISO and affected PTO(s) should be notified by the neighboring system operator so that study data can be exchanged and studies coordinated.

In addition, interconnection customers in the neighboring system should assess possible impacts on the ISO or the interconnecting PTO and take reasonable steps to contact the ISO and affected PTO(s) and enter into a study agreement with the PTO to identify reliability system impacts. During the study process, the ISO and PTO will seek to work with the neighboring system and coordinate study schedules with the affected systems, if practicable, to which the generation project seeks to interconnect to evaluate cost effective and efficient mitigation solutions for reliability impacts on the ISO controlled grid. The ISO will review and concur with impact studies prepared by the PTO. If requested by the generation project owner or the neighboring system operator, the ISO will review impact studies prepared by the neighboring system operator.

1.2 Reimbursement for Reliability Mitigation Solutions on ISO Controlled Grid

Funding and reimbursement for reliability network upgrades on the ISO controlled grid will be in accordance with the applicable provisions of the ISO tariff regarding generator interconnection. The ISO will use the applicable tariff reimbursement scheme for reliability upgrades to PTO systems ~~-, depending in effect on the date on which the interconnection customer on the neighboring system contacted the ISO and the PTO whose system potentially could be impacted or~~ entered into a study agreement with the ~~contacted~~affected PTO, ~~whichever was later.~~

1.3 Facilities Construction Agreement

If reliability system impacts and mitigation solutions are identified in the PTO study process, the interconnection customer must enter into the ISO's facilities construction agreement, which is a three-party agreement involving the interconnection customer, the ISO and the affected PTO. The ISO will notify the neighboring system operator that a facilities construction agreement will be executed to address system impacts on the ISO controlled grid and will share the agreement with the neighboring system operator, upon request, once it has been developed and executed.

Prior to synchronization, the neighboring system operator should verify that the ISO and potentially impacted PTO(s) have been contacted and that steps have been taken to address any reliability system impacts.