

124 FERC ¶ 61,293  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

California Independent System Operator Corporation      Docket No. ER08-960-001

ORDER DENYING REHEARING

(Issued September 26, 2008)

1. On July 31, August 13, and August 15, 2008, respectively, Optisolar, Inc. (Optisolar), Cogentrix Energy, LLC (Cogentrix), and Pacific Gas & Electric Company (PG&E) filed requests for clarification or, in the alternative, rehearing of a July 14, 2008 Commission order granting the California Independent System Operator Corporation's (CAISO) request for waiver of certain provisions in its tariff related to its Large Generator Interconnection Procedures (LGIP) and Interconnection Study Agreements.<sup>1</sup> This order denies clarification and rehearing.

**Background**

2. Under CAISO's current LGIP, which appears in Appendix U of the CAISO open access transmission tariff,<sup>2</sup> the generator interconnection process begins with acceptance of a valid interconnection request (IR), and then each IR generally follows its own individual schedule through a series of steps and studies according to a time schedule prescribed in the LGIP. CAISO states that delays under this approach are virtually inevitable, and arise in large part from the data dependence inherent in a serial study approach in which the results of a later-queued project are dependent on the effects on the transmission grid of earlier-queued projects.

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<sup>1</sup> *California Independent System Operator Corp.*, 124 FERC ¶ 61,031 (2008) (July 14 Order).

<sup>2</sup> Appendix U was accepted by the Commission in July 2005. *California Independent System Operator Corp.*, 112 FERC ¶ 61,009 (2005).

3. On March 20, 2008, the Commission issued an order on interconnection queuing practices.<sup>3</sup> In the March 20 Order, the Commission expressed concern about delays in processing interconnection queues and noted that all Transmission Providers should evaluate whether changes are needed to their queue management practices to ensure the expediency called for by Order No. 2003.<sup>4</sup> We specifically noted that the queuing backlog has been creating additional challenges in meeting the state's renewable portfolio standard,<sup>5</sup> and recognized the potential benefits of other queue management reforms, some of which were proposed by CAISO in its Petition for Waiver. We also recognized that reforms affecting late-stage IRs require careful consideration due to the potential disruptive effects on customers who may have taken action in reliance on the existing process.<sup>6</sup>

4. CAISO proposed a two-step process to reform its current LGIP in order to more efficiently manage its interconnection queue. CAISO's petition for waiver, which the Commission approved in the July 14 Order, constituted the first step in the LGIP reform process. The second step involves a tariff amendment filing to incorporate CAISO's anticipated generator interconnection process reforms (GIPR), which CAISO filed with the Commission on July 28, 2008, in Docket No. ER08-1317-000.<sup>7</sup> CAISO explained that the waiver would facilitate the processing of current IRs that are well along in the study process by allowing CAISO to focus its resources on clearing the current queue of later stage IRs. According to CAISO, the waiver also would accommodate the transition to the new GIPR procedures by temporarily suspending the time schedule in the LGIP for completing interconnection studies and other actions applicable to the processing of early stage IRs. The July 14 Order granted the petition for waiver.

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<sup>3</sup> *Interconnection Queuing Practices*, 122 FERC ¶ 61,252 (2008) (March 20 Order).

<sup>4</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

<sup>5</sup> March 20 Order, 122 FERC ¶ 61,252 at P 5.

<sup>6</sup> *Id.* P 19.

<sup>7</sup> The Commission acts on the GIPR proposal in an order issued today. *California Independent System Operator Corp.*, 124 FERC ¶ 61,292 (2008).

5. Of particular relevance on rehearing, CAISO's waiver petition included provisions separating pending IRs into three study groups for processing: (1) a grandfathered serial study group that would receive expedited treatment under the current LGIP; (2) a transition cluster, comprising non-grandfathered IRs submitted by June 2, 2008, which would be processed under the slightly modified GIPR revisions; and (3) an initial GIPR cluster of IRs submitted after June 2, 2008.

6. CAISO proposed that IRs meet one of three specific criteria to be eligible for the grandfathered serial study group: they must (1) be the subject of an executed interconnection system impact study agreement specifying an original study results due date prior to May 1, 2008; (2) have a power purchase agreement with a load-serving entity approved or pending approval by the California Public Utilities Commission (CPUC) or a local regulatory authority as of May 1, 2008; or (3) be the next IR in queue order to interconnect to a new transmission project that has received land use approvals from any local, state, or federal entity, as applicable, up to the capacity studied by the CAISO.<sup>8</sup>

7. In the July 14 Order, the Commission approved CAISO's petition for waiver.<sup>9</sup> Specifically, the Commission found that CAISO identified criteria that appropriately identify later stage IRs, and that this category could be processed efficiently under the existing LGIP process, which would subject the remaining IRs to prompt treatment under CAISO's reformed queue management process.<sup>10</sup>

8. The Commission found that CAISO provided sufficient opportunity for stakeholder participation and input, both in the development of actual reforms and, despite a shortened comment period, in the process of submitting its petition for waiver.<sup>11</sup>

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<sup>8</sup> July 14 Order, 124 FERC ¶ 61,031 at P 12.

<sup>9</sup> *Id.* P 19-20 (citing *California Independent System Operator Corp.*, 118 FERC ¶ 61,226, at P 24, *order on clarification*, 120 FERC ¶ 61,180 (2007) (*Tehachapi*)). In *Tehachapi*, the Commission granted waivers of CAISO's LGIP procedures to allow a greater-than-180-day Queue Cluster Window and to allow the retroactive clustering of IRs submitted prior to the establishment of the Queue Cluster Window, specifically finding a one-time waiver appropriate where good cause for a waiver of limited scope exists, there are no undesirable consequences, and the resultant benefits to customers are evident. *Tehachapi*, 118 FERC ¶ 61,226 at P 24.

<sup>10</sup> *Id.* P 20.

<sup>11</sup> *Id.* P 32-33.

9. The Commission also found that the proposed suspension of CAISO's studying responsibilities was reasonable, given the alternatives of continuing with the current interconnection procedures without reform or reforming the procedures without any transitional period.<sup>12</sup> We explained that continuing to process all of the pending IRs under the current interconnection procedures would delay implementation of the needed reforms and continue to produce the delays deemed unacceptable in Order No. 2003.<sup>13</sup> In addition, if CAISO were to implement the reforms without a transition period, many of its studies on unfinished IRs would become obsolete once the new reforms were put in place, wasting much time and effort.<sup>14</sup>

10. The Commission concluded that CAISO's solution was reasonable, in part because it avoided the delayed implementation of reforms and the forced obsolescence of studies on unfinished IRs.

### **Requests for Clarification or Alternatively, Rehearing**<sup>15</sup>

#### **Cogentrix**

11. Cogentrix requests that the Commission require CAISO to impose the same increased financial commitment requirements found in the GIPR<sup>16</sup> on all pending IRs, including those in the serial study group, and that the Commission evaluate both steps of CAISO's reform process together – the petition for waiver and the GIPR reforms.<sup>17</sup> Cogentrix argues that the July 14 Order failed to address its concern that excluding the serial study group from the increased financial requirements of CAISO's proposed

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<sup>12</sup> July 14 Order, 124 FERC ¶ 61,031 at P 34.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> On August 15, 2008, CAISO submitted an answer in response to Optisolar's request. On August 28, CAISO and Optisolar each submitted an answer in response to PG&E's request. Rule 713(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §385.713(d) (2008), provides that the Commission will not permit answers to requests for rehearing. We will accordingly reject the answers filed by CAISO and Optisolar.

<sup>16</sup> Among the increased financial commitments proposed in CAISO's GIPR filing is that new IRs must be accompanied by a \$250,000 deposit, rather than the \$10,000 deposit due under the existing procedures.

<sup>17</sup> Cogentrix Request at 1.

reforms would likely leave a large number of commercially nonviable IRs remaining in the queue.<sup>18</sup> According to Cogentrix, the Commission provided no rational basis for distinguishing the serial study group from the other two clusters with respect to CAISO's increased financial commitments.<sup>19</sup> In addition, Cogentrix states that while the Commission acknowledged its request that the Commission evaluate the waiver petition and the GIPR filing together, the Commission failed to provide any reasoned discussion of why it rejected this argument.<sup>20</sup>

### **Commission Determination**

12. Cogentrix's contention that the Commission's failure to address its concern that excluding the serial study group from the increased financial requirements of CAISO's proposed GIPR was arbitrary and capricious is without merit. In the July 14 Order granting CAISO's petition for waiver, the Commission explicitly described CAISO's proposal to treat late-stage projects under existing procedures as "a reasonable solution,"<sup>21</sup> and found CAISO's approach preferable to one "simply reforming the procedures without any transition period."<sup>22</sup>

13. As explained in the July 14 Order, applying the GIPR filing to all pending IRs, including late-stage projects in the serial study group, as Cogentrix argues in its request, would require re-assessing those IRs in the serial study group at an advanced stage in the interconnection process. Such an approach would add significantly to CAISO's workload, stall the development and implementation of reforms, further delay processing of IRs in the other clusters, and fail to clear the backlog in the interconnection queue.<sup>23</sup> Resting its conclusion on these reasons, when the Commission granted the CAISO Waiver Petition, it implicitly rejected Cogentrix's request to apply a GIPR requirement to all pending IRs, regardless of their place in the queue.

14. Cogentrix's contention that the Commission erred by failing to evaluate CAISO's Waiver Petition and GIPR proposal contemporaneously is without merit. As with Cogentrix's previous argument, when the Commission granted CAISO's petition, it

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<sup>18</sup> *Id.* at 1 n.3, 3.

<sup>19</sup> *Id.* at 5.

<sup>20</sup> Cogentrix Request at 7 (citing July 14 Order, 124 FERC ¶ 61,031 at P 31).

<sup>21</sup> July 14 Order, 124 FERC ¶ 61,031 at P 35.

<sup>22</sup> *Id.* P 34.

<sup>23</sup> *See id.* P 19, 20, 34, 35, 45.

necessarily rejected the approach Cogentrix suggests. Although not stated explicitly, this rejection was neither arbitrary nor capricious since it was based on the Commission's finding that CAISO's plan was a reasonable approach to address the backlog in its interconnection queue and develop and implement its reform process.<sup>24</sup> Moreover, when the Commission concluded that it was appropriate to apply existing procedures to the serial study group, it concluded that the group would be exempt from as-yet-unfiled GIPR procedures. Because the GIPR procedures were still under development at the time of the Waiver Petition, the procedures were not part of the record in this proceeding and there was simply no basis for evaluating whether a change in financial commitments under the GIPR proposal could have a bearing on whether to approve the Waiver Petition.

### **Optisolar**

15. Optisolar requests clarification that, to the extent CAISO's reform proposal placed lower-queued IRs in the serial study group, all higher-queued IRs that have requested interconnection at the same location must also be included.<sup>25</sup> To the extent the Commission denies clarification, Optisolar alternatively seeks rehearing, arguing that the July 14 Order is unjust, unreasonable, and inconsistent with the requirement set forth in *Tehachapi* that tariff waivers create "no undesirable consequences" except in cases of emergency or unintentional mistake.<sup>26</sup>

16. Citing *Tehachapi*, Optisolar notes that the Commission has considered a one-time waiver appropriate where good cause exists, there are no undesirable consequences, and the resultant benefits to customers are evident.<sup>27</sup> Here, however, Optisolar argues that CAISO failed to demonstrate and the Commission failed to require a showing of these factors.<sup>28</sup> Specifically, Optisolar contends that the Commission failed to limit the scope of its July 14 Order to avoid the undesirable consequence that CAISO's criteria for inclusion in the serial study group result in the processing of some lower-queued IRs

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<sup>24</sup> *Id.* P 78 ("We find that the CAISO's proposal will help in the processing of the interconnection backlog, will assist in the more rapid transition to reforms in the interconnection process, and will be beneficial to interconnection customers as a whole.").

<sup>25</sup> Optisolar Request at 6.

<sup>26</sup> *Id.* at 8 (citing *Tehachapi*, 118 FERC ¶ 61,226 at P 24).

<sup>27</sup> *Id.* at 10 (citation omitted).

<sup>28</sup> *Id.*

while delaying the processing of Optisolar's higher-queued IR, due to its position in the transition cluster.<sup>29</sup> Optisolar would have the Commission condition its grant of waiver on the allowance of higher-queued projects into the serial study group, at least where such projects have requested interconnection at the same location as lower-queued IRs already in the group.<sup>30</sup>

17. In addition, Optisolar argues that the Commission's failure to limit the scope of the waiver is fundamentally unfair and unduly discriminatory.<sup>31</sup> Optisolar argues that the July 14 Order is unfair because processing lower-queued IRs before Optisolar's higher-queued IR upends CAISO's longstanding first-come-first-served approach.<sup>32</sup> And Optisolar states that CAISO's waiver of feasibility studies for some but not all interconnection requests at a given location is unduly discriminatory and contrary to the current CAISO tariff, which requires that higher-queued projects at the same location be included in the base case assumptions for system studies.<sup>33</sup>

### **Commission Determination**

18. Optisolar argues that because the July 14 Order's scope does not avoid the undesirable consequences to Optisolar of undue delay and competitive disadvantage, the July 14 Order conflicts with the *Tehachapi* precedent.<sup>34</sup> We disagree. In *Tehachapi*, the Commission granted CAISO a one-time waiver to increase the efficiency of its treatment of certain interconnection requests.<sup>35</sup> There, the Commission granted waiver notwithstanding potential harm to Calpine.<sup>36</sup> The Commission reasoned that while Calpine could suffer from having to conduct further studies and assessments, CAISO's

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<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.* at 13.

<sup>32</sup> Optisolar Request at 13.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.* at 10.

<sup>35</sup> *Tehachapi*, 118 FERC ¶ 61,226 at P 25.

<sup>36</sup> *See id.* P 18, 26, 28 n.10 (Calpine faced the prospect of "significant financial harm" resulting from having to engage in restudies of one of its projects under CAISO's new interconnection process, which it had already performed under the old process.).

proposal would ultimately lower its costs by eliminating redundant incremental studies.<sup>37</sup> This, the Commission found, afforded Calpine adequate protection from undesirable consequences.<sup>38</sup>

19. Likewise, here, Optisolar may potentially suffer from some processing delay, but it stands to benefit from CAISO's queue-clearing and reform efforts. As the Commission found in the July 14 Order, IRs that are less advanced in the interconnection process will benefit from the efficiencies expected under the GIPR reforms.<sup>39</sup> As a result, CAISO's petition adequately protects Optisolar and produces no undesirable consequences under *Tehachapi*. Therefore, the July 14 Order is neither contrary to Commission precedent nor arbitrary or capricious.

20. As for Optisolar's argument that the Commission failed to limit the scope of the waiver, we conclude that our waiver was limited in scope. The scope of the waiver granted in the July 14 Order is limited in the manner presented by CAISO. As the Commission noted, the waiver could be limited in myriad, different ways, but each alternative would beget its own array of disagreements like Optisolar's. The Commission considered CAISO's proposed solution to its queue problems an acceptable solution, and concluded that good cause existed to grant the waiver as proposed.

21. And while Optisolar contends it has complied with what has been required of it, done nothing wrong, and is apparently next in line to be processed, we find it appropriate and necessary to change CAISO's IR processing rules. The public interest requires that CAISO clear its queue of backlogged IRs and develop and implement reforms to its LGIP.<sup>40</sup> CAISO has proposed what the Commission agrees is a just and reasonable resolution, and any additional line-drawing would likely satisfy some customers at the

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<sup>37</sup> *Id.* P 26.

<sup>38</sup> *Id.*

<sup>39</sup> July 14 Order, 124 FERC ¶ 61,031 at P 45; *see also id.* P 78 (“We find that CAISO's proposal will help in the processing of the interconnection backlog, will assist in the more rapid transition to reforms in the interconnection process and will be beneficial to interconnection customers as a whole.”).

<sup>40</sup> *See* March 20 Order, 122 FERC ¶ 61,252 at P 4-5. There the Commission stated it is “concerned about delays in processing interconnection queues,” and “the magnitude of the backlogs in ... ISO-managed queues is particularly significant.” They “not only deprive generation developers of needed business certainty,” but “undermine other important public goals... [such as] meeting state renewable portfolio standards.” *Id.*

expense of others. CAISO has established criteria for including certain projects in the serial study group, and the Commission concluded that those criteria were fair and acceptable for eliminating the queue backlog. Basic fairness and the public interest would be undermined by disregarding the three criteria and cherry-picking various entities for inclusion or exclusion from the serial study group.<sup>41</sup> CAISO's proposal and these considerations justify exclusion of projects from the serial study group for failing to meet the three criteria.

### **PG&E**

22. In the July 14 Order, the Commission agreed with CAISO that the existence of an approved or pending purchase power agreement (PPA) with a load-serving entity (LSE) as of May 1, 2008 was a reasonable criterion for including a project in the serial study group.<sup>42</sup> PG&E seeks clarification that this criterion is not limited only to those projects with pending or approved PPAs as of May 1, 2008, and that the PPA criterion applies to all projects with approved or pending PPAs as of the date the Commission rules on the merits of the GIPR proposal.<sup>43</sup> Alternatively, PG&E seeks rehearing.

23. PG&E argues that CAISO failed to explain or justify the May 1 date, that CAISO never discussed it in any stakeholder process or open forum prior to CAISO's filing, and that CAISO can and should process these additional IRs.<sup>44</sup> Moreover, PG&E considers the Commission's rationale for approving the PPA criterion a "policy decision unrelated to the May 1, 2008 date proposed by the CAISO."<sup>45</sup> PG&E explains that it does not interpret the Commission's approval of the PPA criterion as hinging on the May 1, 2008 date, but on the policy favoring the processing of projects that will help LSEs comply with California's renewable portfolio standard (RPS).<sup>46</sup>

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<sup>41</sup> While Optisolar complains that CAISO did not provide notice that waiver of feasibility studies would serve as a basis for inclusion in the serial study group, and that it would have waived such studies had it known that doing so would have this result, *see* Optisolar Request at 13, Optisolar's argument overlooks the objective nature of the serial study group criteria.

<sup>42</sup> July 14 Order, 124 FERC ¶ 61,031 at P 35.

<sup>43</sup> PG&E Request at 1-2.

<sup>44</sup> *Id.* at 2.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 2, 4.

### Commission Determination

24. PG&E has not convinced us that that CAISO's proposed cut-off date of May 1, 2008 for applicability of the PPA criterion is unjust and unreasonable. Contrary to PG&E's assertion, CAISO offered several arguments that justified the May 1, 2008 date.

25. First, CAISO stated that the application of its proposed criteria would result in a serial study group that contained a manageable number of IRs that it believed it could process efficiently, making significant progress in clearing its queue backlog.<sup>47</sup>

26. Second, the broader initiatives and policy considerations discussed *supra* also favor the May 1, 2008 date instead of the date that the Commission rules on the GIPR.<sup>48</sup> By limiting inclusion in the serial study group to those projects with pending or approved PPAs as of May 1, 2008, CAISO guarantees that the serial study group comprises a manageable number of projects that it can clear from its backlog, thereby addressing those in the transition cluster sooner rather than later. Such a forward-leaning approach better addresses the Commission's stated concern about processing delays and the need to change queue management practices to ensure the expediency called for in Order No. 2003.<sup>49</sup>

27. Finally, CAISO has listed several advantages to granting waiver and creating the attendant three study groups.<sup>50</sup> The impact of these advantages depends on the May 1, 2008 date, which allowed CAISO to begin the process of reforming its queue practices in advance of the GIPR filing and decision, to account for the Commission-recognized special circumstances of late-stage IRs, and to allocate resources for processing the queue backlog.<sup>51</sup> Revising the PPA cut-off date would undermine CAISO's efforts.

28. As for PG&E's contention that the May 1, 2008 date was never discussed in any stakeholder process or open forum prior to filing, CAISO noted that one "advantage" of filing its petition for waiver in advance of the GIPR would be to provide "all stakeholders

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<sup>47</sup> July 14 Order, 124 FERC ¶ 61,031 at P 14; *see also id.* P 51 ("[W]e find that this [PPA criterion] strikes the right balance between customer expectations and the expeditious processing of the queue backlog consistent with the March 20 Order.").

<sup>48</sup> *See supra* P 13, 14, 21 (discussing CAISO's workload, the public interest and basic fairness).

<sup>49</sup> *See* March 20 Order, 122 FERC ¶ 61,252 at P 4.

<sup>50</sup> July 14 Order, 124 FERC ¶ 61,031 at P 10.

<sup>51</sup> *Id.*

with early notice of the basic framework for the transition.”<sup>52</sup> This provided PG&E with sufficient notice of the May 1, 2008 date. Until now, PG&E did not take issue with this date.

29. PG&E asserts that it did not raise such arguments when it filed comments on CAISO’s May 15 Petition for Waiver, because it was not permitted to.<sup>53</sup> PG&E explains that it “expected” to file two advice letters requesting CPUC approval of two PPAs on August 14, 2008, and that it was not permitted to disclose any information on these projects until filing with the CPUC. Still, this does not explain why PG&E could not have voiced general issues pertaining to the date. Further, as part of CAISO’s stakeholder process, PG&E actually submitted comments in support of a cut-off date, just not the one CAISO selected.<sup>54</sup>

30. PG&E’s statement that CAISO can and should process the additional IRs conflicts with CAISO’s opinion, endorsed by the Commission, that its current criteria for inclusion in the serial study group result in “a manageable number of IRs that the CAISO believes can be efficiently processed . . . in the time frame necessary to accommodate the expeditious transition to clear the queue.”<sup>55</sup> The inclusion of additional IRs to the serial study group could render that group unmanageable, and PG&E’s request does not alleviate this concern. Although PG&E asserts that the addition of its four projects to the serial study group, and others similarly situated, would not add any “significant burden”

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<sup>52</sup> *Id.*

<sup>53</sup> PG&E Request at 5.

<sup>54</sup> *See* CAISO Website, Comments Template for Generation Interconnection Reform Initiative, <http://www.caiso.com/1f7a/1f7a1044925140.pdf> (“PG&E does not oppose the February 1, 2008 due date. PG&E notes that the cut off date should be selected so that the number of projects remaining in the LGIP is sufficiently small enough to allow for completion of the studies for those projects without creating scheduling issues for the study of the Clearing Group. Regardless of what day is chosen, there will be winners and losers. There is no science to picking the cut-off day, but one thing is certain: a day must be chosen in order to begin the very important process of clearing the existing queue.”).

<sup>55</sup> July 14 Order, 124 FERC ¶ 61,031 at P 14; *see also* CAISO Petition at 14.

to CAISO's workload,<sup>56</sup> it is unknown how many projects its proposal would add or how such projects would affect CAISO's workload.<sup>57</sup> This speculation undermines the certainty necessary for CAISO to address its current backlog.

31. PG&E's offer to avail CAISO of its staff and resources to help CAISO process projects in PG&E's service territory conflicts with CAISO's opinion, endorsed by the Commission, that more staff would not enable it to process IRs any faster.<sup>58</sup> In the July 14 Order, the Commission stated that no party had suggested any "concrete" ways in which a staff increase would expedite processing.<sup>59</sup> PG&E's request for rehearing fails to rebut this finding.

32. Although PG&E correctly asserts that the Commission's approval of CAISO's petition was based on a policy favoring the processing of projects that would aid LSEs in attaining California's RPS,<sup>60</sup> this was hardly the sole policy consideration at issue.<sup>61</sup> The Commission's approval of CAISO's petition rested equally on the need for administrative efficiency and legal certainty, in order to pragmatically address the queue backlog

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<sup>56</sup> PG&E Request at 5.

<sup>57</sup> Confirming this, PG&E states that it does not "believe" there will be many additional projects between now and the Commission's GIPR decision. *Id.*

<sup>58</sup> *See* July 14 Order, 124 FERC ¶ 61,031 at P 42 ("[T]he CAISO has looked for areas where more staff would help expedite the process, but feels that . . . it is sufficiently staffed. The CAISO states that because of . . . the complexity of assessing interdependent data, additional staff may not be beneficial."); *see also id.* P 2 (discussing the "data dependence inherent in a serial study approach in which the results of a later-queued project are dependent on the effects on the transmission grid of earlier-queued projects").

<sup>59</sup> July 14 Order, 124 FERC ¶ 61,031 at P 44.

<sup>60</sup> *See id.* P 1 (granting the waiver petition so that CAISO could "more efficiently manage its interconnection queue," and to help "ensure reliability and compliance with California's renewable energy portfolio standard"); *see also* March 20 Order, 122 FERC ¶ 61,252 at P 5.

<sup>61</sup> *See* July 14 Order, 124 FERC ¶ 61,031 at P 20 (granting CAISO's petition for waiver, and its proposed criteria for inclusion in the serial study group, "[i]n order to facilitate the transition to a more efficient and timely interconnection queue management process.").

problem.<sup>62</sup> Moreover, PG&E has not shown that CAISO's proposed cut-off date is unjust and unreasonable, and we conclude that PG&E's proposed revised date would delay implementation of the necessary reforms.

33. Furthermore, we note that CAISO's GIPR proposal, which the Commission approves today in Docket No. ER08-1317-000, may allow the projects of concern to PG&E to qualify for accelerated study upon meeting the relevant GIPR criteria.<sup>63</sup> For example, section 7.6 of the GIPR LGIP provides that the Phase II Interconnection Study shall be completed within one hundred fifty (150) days following the posting of the initial Interconnection Financial Security where the IR meets specified criteria.

The Commission orders:

Optisolar's, Cogentrix's and PG&E's requests for clarification and rehearing are hereby denied as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>62</sup> *See id.* P 13-14 (discussing improved efficiency and RPS, demand and reliability requirements).

<sup>63</sup> *See California Independent System Operator Corp.*, 124 FERC ¶ 61,292, at P 215 (2008); *see id.* P 226.

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