

August 1, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Interconnection Queue Quarterly Progress Report, Q2 2011
Docket Nos. ER08-1317-____, ER11-1830-____**

Dear Ms. Bose:

Please find our second quarter 2011 report. The California Independent System Operator Corporation ("ISO") submits the report pursuant to the following orders of the Commission:

Order Conditionally Approving Tariff Amendment, dated September 28, 2008, at P 200 (California Independent System Operator Corp. (Docket No. ER08-1317-000), 124 FERC ¶ 61,292;

Order Conditionally Accepting Tariff Revisions, dated December 16, 2010 at PP 97, 117 (California Independent System Operator Corp. (Docket No. ER11-1830-000), 133 FERC ¶ 61,223).

The document is submitted by electronic filing and is entitled "California Independent System Operator Corporation Interconnection Queue Quarterly Progress Report, Q2 2011".

If there are any questions concerning this filing, please contact the undersigned.

Respectfully Submitted,
By: /s/ Baldassaro "Bill" DiCapo
Nancy Saracino
General Counsel
Sidney Davies
Assistant General Counsel
Baldassaro "Bill" DiCapo
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7157
Fax: (916)-608-7222
bdicapo@caiso.com

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

California Independent System
Operator Corporation

Docket Nos. ER08-1317-____
ER11-1830-____

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
INTERCONNECTION QUEUE QUARTERLY PROGRESS REPORT
Q2 2011**

Quarterly Reporting Period:
April 1, 2011 to June 30, 2011

Date: Aug 1, 2011

Baldassaro ("Bill") Di Capo
Senior Counsel
California Independent System
Operator Corporation

INTRODUCTION AND DISCUSSION OF THE REPORTING REQUIREMENTS GIVING RISE TO THIS REPORT

This is the Second Quarter 2011 (“Q2 2011”) report of California Independent System Operator Corporation (the “ISO”). The report describes the ISO’s progress over the period April 1 to June 30, 2011 in processing generator interconnection requests under the ISO’s interconnection process.

The current process, contained in ISO Tariff Appendix Y, is called the “Generator Interconnection Procedures (“GIP”).¹ The GIP became effective December 19, 2010 and combines the processes for large generator and small generator interconnection into one interconnection tariff. Under the GIP, there are three study tracks:

- (1) The cluster study process track, which serves as the primary processing method and the default interconnection process
- (2) The independent study process track, under which certain projects can be studied independently if they are determined to be electrically independently from other projects in the cluster study; and
- (3) The fast track process track, which is available for projects of up to 5 MW, when it can be determined, through a limited evaluation methodology, that the project can be interconnected with no upgrades or with *de minimis* upgrades.

As explained elsewhere in this report, the ISO is also processing various interconnection requests submitted under prior interconnection tariffs under those “legacy” tariffs.

The 2008 Quarterly Reporting Requirement from the September 2008 Order on the GIPR

The reporting requirements giving rise to this report come from the Commission’s orders approving the ISO’s 2008 GIPR Amendment and 2010 GIP Amendment. The ISO

¹ The ISO O.A.T.T., ISO Tariff Appendix Y can be accessed on the ISO’s website at <http://www.caiso.com/2872/2872862b51c40.pdf>

revised its Large Generator Interconnection Process (LGIP) in 2008 to change from a serial approach to a queue cluster approach. The ISO called this tariff amendment “Generator Interconnection Process Reform (GIPR),” and the ISO referred to its revised LGIP as the “Cluster LGIP.”

The Commission’s September 2008 Order conditionally accepting the ISO’s 2008 GIPR Amendment included a requirement to file quarterly status reports on the ISO’s progress in processing interconnection requests under the cluster approach.² The quarterly reports are intended as a tool to evaluate how well the ISO’s queue cluster process is working. As the Commission is well aware, as the ISO has implemented its cluster approach, the ISO has since amended its interconnection tariff twice (in 2009 and 2010) and will soon submit another tariff amendment (an outcome of the GIP 2 stakeholder process). These efforts represent a continual commitment by the ISO to refine and improve the process and to respond to the dramatic increase in interconnection requests in response to California’s renewable portfolio standards (“RPS”) policy, which mandates that LSE’s satisfy their load requirements from 33% renewable energy sources by 2020.³

The Reporting Requirements Added in the December 2010 Order on the GIP

The Commission’s December 2010 Order accepting the GIP directed the ISO to include additional reporting requirements within the quarterly status reports. The Commission instructed the ISO to include additional information on interconnection requests submitted under the independent study process (“ISP”) and fast track process. Regarding the ISP, the ISO was directed to include information about the number of

² *Order Conditionally Approving Tariff Amendment*, dated September 28, 2008, at P 200 (*California Independent System Operator Corp.* (Docket No. ER08-1317-000), 124 FERC ¶ 61,292 (hereinafter, “September 2008 Order”). The September 2008 Order also required the ISO to file two comprehensive status reports, one pertaining to the transition cluster and one pertaining to the first queue cluster. The ISO filed its first comprehensive report on the transition cluster on January 31, 2011.

³ SBX1-2 enacted by the California Legislature and signed by Governor Brown in April 2011 codified California’s 33% RPS. Prior to this time, the 33% standard was a function of Governor Schwarzenegger’s Executive Order S-21-09 signed in September 2009 which required the California Air Resources Board to adopt a 33% renewable energy requirement by 2020 to implement California’s greenhouse gases law (AB 32).

projects requesting interconnection through the ISP, the outcome of those requests, the complete length of time for recently completed ISP interconnection studies (from initial application through final approval), and the reason for any rejections of projects requesting ISP treatment.⁴

As to the fast track, the Commission directed the ISO to include in its reports the size and type of generator interconnection requested under the Fast Track process, the proposed location of the generator, the number of requests that did not pass the screens, and which screens the generator developer failed.⁵

Prior Quarterly Reports

This report is the ISO's eleventh quarterly report. The prior ten quarterly reports are as follows:

⁴ *Order Conditionally Accepting Tariff Revisions*, dated December 16, 2010 at PP 1, 97, 117 (*California Independent System Operator Corp.* (Docket No. ER11-1830-000), 133 FERC ¶ 61,223) (hereinafter "December 16 Order").

⁵ *Id.* at P 117.

2011

Q1 2011 report (dated May 2 2011) The errata filing which re-submitted the report with corrected Table 6 is accessible at

http://www.caiso.com/Documents/May32011ErrataQ1_2010quarterlyprogresscomprehensivestatusreportdocketnosER08-1317_ER11-1830.pdf

2010

Q4 2010 report (dated January 31, 2011). This quarterly report is combined with the ISO's Comprehensive Status Report Following Completion of the Study Phase for Projects in the Transition Cluster (found at ISO link

http://www.caiso.com/Documents/January31_2011Q42010quarterlyprogress_comprehensivestatusreportindocketno_ER08-1317-000_GIPRamendment_.pdf).

Q3 2010 report (dated October 29, 2010) (ISO link <http://www.caiso.com/283e/283ed0906b500.pdf>).

Q2 2010 report (dated July 30, 2010) (ISO link <http://www.caiso.com/27e3/27e3d90ce6a0.pdf>).

Q 1 2010 report (dated April 30 2010) (ISO link <http://www.caiso.com/2788/2788c4ca34340.pdf>).

2009

Q4 2009 report (dated January 29, 2010) (ISO link <http://www.caiso.com/272d/272dbd991d4c0.pdf>).

Q3 2009 report (dated October 30, 2009) (ISO link <http://www.caiso.com/2457/2457e6f4470c0.pdf>).

Q2 2009 report (dated July 30, 2009) (ISO link <http://www.caiso.com/2403/2403907271f30.pdf>).

Q1 2009 report (filed April 30, 2009) (ISO link <http://www.caiso.com/23a0/23a0de6d701a0.pdf>).

2008

Q 4 2008 report (filed Feb 27 2009) (ISO link <http://www.caiso.com/2362/2362d4e612850.pdf>).

The Component Parts of the ISO's Interconnection Queue

Given that the ISO's interconnection processes have been revised over time, the interconnection queue consists of various queue components:⁶

- ***Two legacy serial groupings***
 - **Component 1: certain projects that predated the serial study group.** These requests were grouped together because, at the time the ISO made its 2008 waiver request which was a foundational step to establishing the cluster LGIP. The associated interconnection studies for these projects had already been complete.⁷

⁶ The component numbers generally correspond to time (i.e. Component 1 generally consists of that group of interconnection requests that are oldest in time). However, this is not exactly so, as the groupings were also based on common characteristics (i.e. studies were already completed) that make collective treatment of the individual requests within the group more logical. This means that some interconnection requests which were older in time are part of Component 2 rather than Component 1.

⁷ See, e.g. Q1 2009 Report at p. 1 for discussion of the ISO's 2008 waiver petition.

The governing tariff provision for each project in this component depends on the date that the interconnection customer submitted the request. If that date was before July 1, 2005, the governing tariff is Appendix W, *Interconnection Procedures in Effect Prior to July 1, 2005*, also known as the “Amendment 39 Procedures.” If the date was on or after July 1, 2005, the applicable tariff is Appendix U, *Standard Large Generator Interconnection Procedures (LGIP)*, which the ISO’s 2005 version of the LGIP.

- Component 2: projects known as “the serial study group.” These projects still needed interconnection studies to be completed at the time the ISO categorized interconnection requests and filed its 2008 tariff request waiver that preceded the 2008 GIPR Amendment.

For all requests in this grouping, the applicable process is Appendix U, *Standard Large Generator Interconnection Procedures (LGIP)*, the 2005 version of the LGIP, which are the ISO the procedures which immediately preceded the Cluster LGIP.

- ***Additional groupings now governed by the GIP***

For these groupings, if there was an earlier applicable tariff that applied to processing before the GIP, that tariff is mentioned in the description:

- Component 3: projects in the Cluster LGIP transition cluster: this component consists of certain requests received prior to June 2, 2008 that were transitioned to the Cluster LGIP.

Through December 18, 2010, the applicable ISO tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for Interconnection Requests in a Queue Cluster Window*, with specialized provisions for the transition cluster included within Appendix 2 to Appendix Y, *Large Generator Interconnection Procedures (LGIP) Relating to the Transition Cluster*. Effective December 19, 2010, the ISO’s revised Appendix Y which is the GIP Tariff Amendment governs completion of the transition cluster.

- Component 4: the first queue cluster: the first group of interconnection requests received during an open request window (June 2, 2008 to July 31, 2009)

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the GIP Tariff Amendment governs further processing.

- Component 5: the second queue cluster: the second group of interconnection requests received during an open request window (October 1, 2009 to January 31, 2010)

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the GIP Tariff Amendment governs further processing.

- Component 6: the third queue cluster: the third group of interconnection requests received during an open request window (March 1, 2010 to July 31, 2010)

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the GIP Tariff Amendment governs further processing.

- Component 7: the fourth queue cluster, the fourth group of interconnection requests received during the open request window (March 1-31, 2011).⁸

The applicable tariff had been Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*. Effective December 19, 2010, the revised Appendix Y which is the GIP Tariff Amendment governs further processing.

- Component 8: Independent Study Process (ISP): ISP interconnection requests can be submitted at any time. This component tracks ISP projects received from the inception of the ISP on December 19, 2010 through the end of the report period. It is important to note that the ISP is available to projects of any MW size. Accordingly, this component will be composed of both large and small generators. The independent study for these projects is done as energy only. If an ISP project desires to have full deliverability, then the deliverability study is done in the next deliverability study work that the ISO is conducting as part of a cluster process Phase II study process.
- Component 9: SGIP Serial Study projects and SGIP Transition Cluster projects: On December 19, 2010, the effective date for the revised GIP Appendix Y, there were 128 active SGIP projects in queue. The ISO sent a

⁸ Under the Cluster LGIP, the fourth queue cluster window opened on October 1, 2010 and was set to close on January 31, 2011. However, while the window period was opened, the GIP became effective. Under the GIP, a further fourth queue cluster window was opened during the month of March (March 1-31, 2011). All earlier fourth queue cluster applications received during 2010 will be processed together with the cluster track applications received during March 2011 window period

notice to all SGIP interconnection customers whose projects were eligible to remain in the SGIP serial process, to inform them that they had an option to move their project into the new SGIP transition cluster and be studied as energy only in the combined Phase II interconnection studies that the ISO is conducting for LGIP Cluster 1 and Cluster 2. Only a few customers chose to move their projects into the transition group. Consequently, 63 projects opted to remain in the SGIP serial study group and 65 projects are in the SGIP transition cluster.

- **Component 10: Fast Track Process (Fast Track):** The Fast Track is available to projects up to 5 MW in size. Fast Track interconnection requests can be submitted at any time. This component tracks Fast Track projects received since the Fast Track process was revised on December 19, 2010 through the end of the report period.

The Commission's September 2008 Order only directs the ISO to report on the queue cluster component of the ISO interconnection queue and not on the ISOs work to complete the legacy, pre-Cluster LGIP interconnection requests. Nevertheless, the ISO has made a practice of including the legacy interconnection requests in its reporting, so that each report would cover the entire ISO large generation interconnection queue. This report continues that practice, and discusses the legacy large interconnection requests as Components 1 and 2 of the large generator interconnection queue. The Commission's December 2010 Order only directs the ISO to report on Independent Study and Fast Track projects, and does not direct the ISO to report on the SGIP serial study group or the SGIP transition cluster.

COMPOSITION OF CLUSTER INTERCONNECTION REQUESTS BY TECHNOLOGY

Component 3: The Transition Cluster

The breakdown by technology of interconnection customers in the transition cluster is as follows:

Table 1						
Transition Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		B	G	NG	S	W
Steam Turbine	9	1			8	
Photovoltaic	14				14	
Wind Turbine	8					8
Combined Cycle	4			4		
Combined Cycle/PV	1			0.5	0.5	
Combustion Turbine	2			2		
Total	38	1	0	6.5	22.5	8
B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind						

Component 4: The First Queue Cluster

The breakdown by technology of interconnection customers in the first queue cluster is as follows:

Table 2						
First Queue Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		WTR	NU	NG	S	W
Steam Turbine	2		1		1	
Photovoltaic	8				8	
Wind Turbine	2					2
Combustion Turbine	0			0		
Hydraulic Turbine	1	1				
Total	13	1	1	0	9	2
WTR=Water; NU=Nuclear; NG=Natural Gas; S=Solar; W=Wind						

Component 5: The Second Queue Cluster

The breakdown by technology of interconnection customers in the second queue cluster is as follows:

Table 3						
Second Queue Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		G	NG	S	W	WTR
Steam Turbine	1	1				
Photovoltaic	17			17		
Wind Turbine	4				4	
Combined Cycle	3		3			
Combustion Turbine	1		1			
Reciprocating Engine	1		1			
Total	27	1	5	17	4	0
B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind						

Component 6: The Third Queue Cluster

The breakdown by technology of interconnection customers in the third queue cluster is as follows:

Table 4						
Third Queue Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		G	NG	S	W	B
Steam Turbine	5	1		3		1
Photovoltaic	22			22		
Wind Turbine	3				3	
Wind Turbine/PV	2			1	1	
Combined Cycle/PV	1		0.5	0.5		
Combustion Turbine/PV	6		3	3		
Total	39	1	3.5	29.5	4	1
B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind						

Component 7: The Fourth Queue Cluster

The breakdown by technology of interconnection customers in the fourth queue cluster is shown on Table 5. Table 5 is new to the report, and added following ISO's validation of the fourth queue cluster interconnection requests.

Table 5							
Fourth Queue Cluster Interconnection Customers							
Categorized by Prime Mover Technology							
Prime Mover	Number	Technology					
		G	NG	S	W	WTR	Li
Steam Turbine	14	6		8			
Photovoltaic	136			136			
Wind Turbine	13				13		
Wind Turbine/PV	1			0.5	0.5		
Combined Cycle	2		2				
Combustion Turbine	3		3				
Hydraulic Turbine	1					1	
Pumped Storage	1					1	
Battery Storage	1						1
Total	172	6	5	144.5	13.5	2.0	1
G=Geothermal; NG=Natural Gas; S=Solar; W=Wind; WTR=Water; Li=Lithium-ion Battery							

QUARTERLY PROGRESS IN PROCESSING THE LARGE GENERATOR QUEUE

Component 1: Projects Covered by Amendment 39 or the 2005 LGIP

Table 6				
Component 1 Projects	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Number of projects which have completed interconnection process	36	37	37	37
Number of projects which have not completed interconnection process	1	1	1	1
Number of projects withdrawn	6	5	5	5
Number of projects in this category	43	43	43	43
Breakdown of the status of projects in this Category				
Projects with completed studies for which LGIA not completed	1	1	1	1
Projects for which studies and LGIAs signed but which have not yet come online	12	14	15	16
Projects with signed LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD).	24	23	22	21
Number of projects withdrawn	6	5	5	5
Number of projects in this category	43	43	43	43

This grouping consists of 43 projects. The remaining item to close out this queue component is a single project for which the LGIA has yet to be executed. The ISO continues to engage with the applicable Participating TO in order to cause the Participating TO to complete LGIA appendices and issue a draft LGIA to interconnection customer and ISO.

Component 2: The Serial Study Group

Table 7				
Queue Component 2: The Serial Study Group	Q1 2011	Q1 2011	Q4 2010	Q3 2010
Number of projects which have completed interconnection process	7	6	6	3
Number of projects to be completed	55	59	61	64
Number of projects that have withdrawn from Serial Study Group	15	12	10	10
Total Number of projects in Category 2	77	77	77	77
<u>Breakdown by milestone</u>				
<u>Study Work</u>				
Projects for which studies are completed	55	59	60	59
Projects for which Facilities Study is in progress	0	0	1	4
Projects for which Systems Impact Study is in progress ¹	0	0	0	1
Projects for which Feasibility Study is in progress	0	0	0	0
Projects completed or withdrawn	22	18	16	13
Total Number of projects in Category 2	77	77	77	77
<u>Interconnection Agreements</u>				
Projects with completed studies for which LGIA not completed	23	26	29	31
Projects for which studies completed and LGIAs signed but which have not yet come online	32	33	31	28
Projects with signed LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD).	7	6	6	3
Projects for which studies have not been completed	0	0	1	5
Projects that have withdrawn	15	12	10	10
Total Number of projects in Category 2	77	77	77	77
¹ Feasibility studies either completed, not applicable, or waived.				

Three additional serial study projects withdrew during Q2 2011 bringing the total of withdrawn projects to 15. One additional project achieved commercial operation, bring that total to seven. Commercial operation is a milestone which can be used to mark final completion of, and exit from, the interconnection process. Currently there are 55 active serial study projects which have not achieved commercial operation. All of the active serial study projects had completed the normal study process prior to the start of Q2. Four projects, however, are in a facilities re-study process. More than half of the active (i.e. non-withdrawn) serial study group have cleared the LGIA negotiation stage; twenty-two have yet to execute an LGIA (or have had an unexecuted LGIA filed at FERC).

Over Q3, the ISO will implement a portfolio management process to evaluate the status of each project as against its commercial operation date and to validate the customer's continued progress toward achieving that date, with the corollary that projects which are not making progress should be considered for withdrawal from the queue or LGIA termination.

Component 3: The Transition Cluster

Table 8				
Queue Component 3: The Transition Cluster	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Active Projects as of beginning of Quarter	40	50	52	52
Number of Interconnection Requests that withdrew during the Quarter	2	10	2	0
Projects Completed during the Quarter	0	0	0	0
Active Projects as of end of Quarter	38	40	50	52

Two projects withdrew during Q2, reducing the number of active transition cluster projects to 38. Large Generator Interconnection Agreement (LGIA) negotiations have been completed for 13 of the projects. The remaining 25 LGIAs are in negotiation.

Under the ISO's interconnection tariff, the second posting of financial security is due 180 days from issuance of the final Phase II study report. The second posting of interconnection financial security has come due for all but one customer in the transition cluster. The one remaining posting is due in Q3, 2011, as the customers received a revised Phase II study report which triggered additional time for posting.

In January, the ISO submitted to FERC its comprehensive status report discussing the ISO's experience with the study process for the transition cluster. This report was combined with the ISO's Q4 2010 Quarterly Report.⁹

⁹ ISO Combined Comprehensive Status Report Following Completion of Interconnection Studies for the Transition Cluster and Q4 2010 report, filed January 31, 2010.

Component 4: The First Queue Cluster

Table 9 Queue Component 4: Requests Within the First Queue Cluster under GIPR LGIP	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Active Projects as of beginning of Quarter	13	14	18	22
Number of Interconnection Requests that withdrew during the Quarter	0	0	4	4
Projects Completed during the Quarter	0	1	0	0
Active Projects as of end of Quarter	13	13	14	18

This first queue cluster (Cluster 1) projects are proceeding to the Phase II study process, in combination with Cluster 2 projects. (Under the Cluster LGIP, Cluster 1 and Cluster 2 underwent separate Phase I interconnection studies, and then were to be studied together in a combined Phase II interconnection study process. The ISO will continue to study Cluster 1 and 2 in this fashion, as well as Clusters 3 and 4.)

Additionally, the “SGIP transition cluster projects,” part of the GIP Amendment, will be included in this combined Phase II study. The SGIP transition cluster consists of projects smaller than 20 MW which had entered the ISO SGIP process before December 19, 2010 and for which the ISO would not be able to complete SGIP system impact or facilities studies by approximately December 19, 2010. These projects have transitioned to the GIP, as approved by the Commission under the Commission’s December 16, 2010 Order conditionally accepting the GIP Amendment.¹⁰ A total of 65 projects are in the SGIP transition cluster, and are currently being studied as energy only projects.

Component 5: The Second Queue Cluster

Table 10 Queue Component 5: Requests Within the Second Queue Cluster under GIPR LGIP	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Active Projects as of beginning of Quarter	27	36	37	39
Number of Interconnection Requests that withdrew during the Quarter	0	9	1	2
Projects Completed during the Quarter	0	0	0	0
Active Projects as of end of Quarter	27	27	36	37

¹⁰ December 2010 Order.

The Phase I studies for the second queue cluster were completed last year, in Q4 2010. The combined Phase II interconnection studies for Queue Clusters 1 and 2, as well as the 65 SGIP transition cluster projects which are being studied in this Phase II study, are currently scheduled for completion on August 15, 2011. The September 2008 order conditionally accepting the GIPR Amendment requires the ISO to file a second comprehensive report pertaining to the ISO's experience with interconnection studies for the first queue cluster. The ISO anticipates filing this report in Q4, following the ISO's completion of Phase II results meetings for this queue cluster.

Component 6: The Third Queue Cluster

Table 11 Queue Component 6: Requests Within the Third Queue Cluster under GIPR LGIP	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Active Projects as of beginning of Quarter	43	43	50	50
Number of Interconnection Requests that withdrew during the Quarter	4	0	7	0
Projects Completed during the Quarter	0	0	0	0
Active Projects as of end of Quarter	39	43	43	50

The ISO completed the Phase I studies for the third queue cluster (Cluster 3) and has held Phase I results meetings with all of the Cluster 3 interconnection customers. Four projects withdrew during Q2, and the remaining projects will be required to post their first financial security posting during Q3. Those interconnection customers who make their posting will be studied along with the fourth queue cluster (Cluster 4) projects in a combined Phase II interconnection study.

Component 7: The Fourth Queue Cluster

Table 12		
Queue Component 7: Requests Within the Fourth Queue Cluster under GIPR LGIP	Q2 2011	Q1 2011
Active Projects as of beginning of Quarter	193	193
Number of Interconnection Requests that withdrew during the Quarter	19	0
Total Interconnection Requests	174	193

The fourth queue cluster (Cluster 4) window closed on March 31, 2011 and 193 interconnection requests were received representing 36,480 MW. At the conclusion of the validation process and project scoping meetings, 21 projects either withdrew from the process or were deemed invalid. The remaining 172 projects will be studied in the Cluster 4 Phase I study process scheduled to be completed by the end of Q3 2011.

The number of interconnection requests and MW of proposed generating facility capacity in Cluster 4 are unprecedented. The ISO has determined that the interconnection study approach that the ISO has used to date for cluster studies is inappropriate and would produce anomalous results. Accordingly, the ISO has proposed utilizing an alternative Phase I interconnection study methodology which studies an imputed quantity of MW rather than the approximate total 36,000 MW. The ISO believes that this alternate approach can be carried out under the existing provisions of the GIP. The ISO has prepared a proposal for its Cluster 4 Phase I methodology which it has posted on its website.¹¹ The ISO conducted a stakeholder conference call on July 29 to discuss the methodology and solicit stakeholder comment.

¹¹ The ISO webpage entitled "Generation Interconnection Cluster 4 Phase 1 Methodology" can be accessed at <http://www.caiso.com/informed/Pages/StakeholderProcesses/GenerationInterconnectionCluster4Phase1Methodology.aspx>. The discussion paper can be accessed from the page, at hyperlink <http://www.caiso.com/Documents/GenerationInterconnectionCluster4Phase1MethodologyDiscussionPaper.pdf>.

Component 8: Independent Study Process

Table 13		
Queue Component 9: Requests Within the Independent Study Process under GIP	Q2 2011	Q1 2011
Active Projects as of beginning of Quarter	3	0
Interconnection Requests received	1	3
Number of Interconnection Requests that withdrew during the Quarter	0	0
Total Interconnection Requests	4	3

The ISO received three Independent Study Process (“ISP”) requests within the March 1-31 window period for the fourth queue cluster and one additional request during Q2 2011. (ISP requests can be submitted any time during the year, not just during the queue cluster window period.) The ISO has determined that these four interconnection requests are valid. The four ISP interconnection requests are still in the process of being reviewed to determine if they meet the independent study process criteria for independence. Because the requests were received during or after the Cluster 4 open window period, they will be tested for independence against the Cluster 4 Network Upgrades as determined in the Cluster 4 Phase I studies. Accordingly, the independence analysis for these projects are on hold, until such time as the Cluster 4 phase I studies are far enough along to provide sufficient information in order to make a determination on the independence each of these projects. As indicated above, the ISO is proposing an alternate Cluster 4 Phase I study methodology which will not place all of the approximate 68,000 MW of proposed generation into the model. This approach is anticipated to prevent anomalous results for ISP projects as well, since, if all 68,000 MW were modeled, the chances of ISP projects being found electrically independent of Cluster 4 projects would be reduced.

Component 9: SGIP Serial Study projects and SGIP Transition Cluster projects

Currently, 59 projects remain in the SGIP serial study group and 65 projects are in the SGIP transition cluster. The ISO is processing the SGIP serial study group projects on a serial basis, and has included the 65 transition cluster projects in the combined Cluster 1 and Cluster 2 Phase II interconnection studies now underway.

Component 10: Fast Track Process

Table 14 Queue Component 10: Requests Within the Fast Track Process under GIP	Q2 2011	Q1 2011
Active Projects as of beginning of Quarter	4	0
Interconnection Requests received	1	4
Number of Interconnection Requests that withdrew or deemed to not qualify for the Fast Track Process during the Quarter	1	0
Total Interconnection Requests	4	4

The ISO received one additional Fast Track request during Q2 2011. One of the four prior Fast Track project received during Q1 2011 was deemed not to qualify for the Fast Track process, as it was an increase to a 75 MW existing project, and the customer opted to redesigned the project as an ISP project. All four currently active requests have been determined to be valid and the ISO is evaluating them to determine if they pass the Fast Track screens. While performing the evaluation of these projects under the Fast Track screens, technical issues related to the evaluation process and consequential different interpretation of the screen tests have arisen. To date, the ISO and the Participating TOs have not reached consensus on the all of these issues. Consequently, the determination of whether these projects have met the Fast Track screening requirements has been delayed and these projects have yet to receive a determination under the Fast Track screening process. The ISO has made it a priority to resolve these

issues quickly and to put into place whatever guidelines are needed to make this process function effectively and to provide the screening determinations to these projects.

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned 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 this 1st day of August, 2011 at Folsom, California.

Asl Anna Pascuzzo

Anna Pascuzzo