

2. Exempting generators from these requirements where the developer can demonstrate that its inverters were purchased before the CAISO's revisions are effective.

For the reasons explained below and in the CAISO's transmittal letter, the CAISO's proposal is just and reasonable. NextEra's proposals are neither necessary nor prudent, and the Commission should disregard them.

As an initial matter, NextEra provides no record evidence to support the Commission adopting such an exception for the CAISO's proposed requirements. A broad waiver and a lengthy phase-in of the CAISO's proposed requirements would only impede efforts to mitigate the significant reliability issues identified in the CAISO's transmittal letter. If NextEra or any other developer has good cause for seeking a limited waiver from any GIA requirement, it does not need a pre-established exemption in the CAISO tariff.

The CAISO and its participating transmission owners routinely file non-conforming GIAs at the request of interconnection customers where circumstances demand. There are myriad examples of such filings every year, including for NextEra specifically.² Even if the CAISO, participating transmission owner, and interconnection customer cannot agree on seeking a waiver of *pro forma* GIA provisions, the CAISO tariff expressly allows the interconnection customer to demand that the CAISO and the transmission owner file the GIA as unexecuted to put the request before the Commission.³ These measures exist today and are more appropriate solutions to the

² See, e.g., *California Independent System Operator Corp.*, 137 FERC ¶ 61,055 (2011).

³ Section 13.2 of Appendix DD to the CAISO tariff.

problems NextEra alleges exist. Accepting the CAISO's filing as proposed still allows developers the ability to seek a limited waiver where appropriate.

The Commission has recognized that applying requirements to newly interconnecting resources is just and reasonable, especially where technology exists and the costs of compliance are not significant.⁴ In Order No. 842, the Commission required both new interconnecting large and small generators to install, maintain, and operate a functioning governor or equivalent controls capable of providing primary frequency response.⁵ In Order No. 842, the Commission declined to adopt a generic waiver process to exempt newly interconnecting generating facilities from the requirements of the Final Rule, but did recognize that in the event of a unique circumstance affecting specific resources, the transmission provider may file a non-conforming interconnection agreement or the interconnection customer may request that the transmission provider file an unexecuted interconnection agreement to address a deviation from the Final Rule. A similar approach is appropriate here.

The CAISO also notes that a phase-in and exemption were not part of the CAISO's proposal, nor developed through the CAISO's lengthy stakeholder process on these issues. Commission precedent is clear that pursuant to Section 205 of the Federal Power Act, "the Commission limits its evaluation of a utility's proposed tariff revisions to an inquiry into 'whether the rates proposed by a utility are reasonable—and not to extend to determining whether a proposed rate schedule is more or less

⁴ See generally *Essential Reliability Services and the Evolving Bulk-Power System—Primary Frequency Response*, 162 FERC ¶ 61,128 (2018) (Order No. 842).

⁵ Order No. 842 at P 19.

reasonable to alternative rate designs.”⁶ As such, “there is no need to consider in any detail the alternative plans proposed by” NextEra.⁷

For the reasons explained above and in the CAISO’s transmittal letter, the CAISO respectfully requests that the Commission should accept the proposed tariff revisions as filed and without condition.

Respectfully submitted,

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⁶ *California Independent System Operator Corp.*, 141 FERC ¶ 61,135 at P 44 n. 43 (quoting *City of Bethany v. FERC*, 727 F.2d 1131, 1136 (D.C. Cir. 1984)).

⁷ *Id.*

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 Folsom, CA this 1st day of April, 2019.

/s/ Anna Pascuzzo

Anna Pascuzzo