



California Independent
System Operator Corporation

April 30, 2009

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

**Re: Q1 2009 Quarterly Report on Progress in Processing Interconnection
Requests
Docket No. ER08-1317-_____**

Dear Ms. Bose:

Pursuant to Paragraph 200 of the Commission's "Order Conditionally Approving Tariff Amendment" issued in this docket on September 26, 2008, 124 FERC ¶ 61,292 (2008), , the California Independent System Operator Corporation ("CAISO") respectfully submits by electronic filing the "Q1 2009 Quarterly Report of the California Independent System Operator on Progress In Processing Interconnection Requests."

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

Respectfully Submitted,

/s/ Baldassaro Di Capo
Baldassaro "Bill" Di Capo
*Counsel for the California Independent
System Operator Corporation*

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

California Independent System) Docket No. ER08-1317-____
Operator Corporation)

**Q1 2009 QUARTERLY REPORT OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR ON PROGRESS IN PROCESSING INTERCONNECTION
REQUESTS**

Reporting Period: January 1, 2009 to March 31, 2009

Date: April 30, 2009

Baldassarro (“Bill”) Di Capo
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Independent System Operator
Corporation

Introduction

How the Obligation to Report Annually Arises

The California Independent System Operator Corporation (“ISO”) submits this “Q1 2009 QUARTERLY REPORT OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR ON PROGRESS IN PROCESSING INTERCONNECTION REQUESTS,” pursuant to the Commission’s September 26, 2008 Order Conditionally Approving Tariff Amendment (*California Independent System Operator Corp.* 124 FERC ¶ 61,292 (2008) (hereinafter, “September 26 Order”).

The requirement that the ISO submit periodic reports on the ISO’s progress in processing Interconnection Requests is contained in Paragraph 200 of the September 26 Order. The ISO submitted its first report on February 27, 2009, covering the reporting period of Q4 2008.¹ This report covers the period January 1, 2009 to March 31, 2009, the first quarter of this year (“referenced as Q1 2009”).

Background Regarding the Queue

On May 15, 2008, the ISO filed the Waiver Petition in Docket No. ER08-960, seeking a one-time waiver of limited provisions of the then-effective ISO tariff governing generator interconnection, in order to facilitate the transition between the ISO’s original *pro-forma* LGIA and LGIP regime to the new Generator Interconnection Process Reform (“GIPR”) process. On July 14, 2008, the Commission issued an order granting the ISO’s waiver request.²

With the waiver having been granted, the ISO is processing four categories of interconnection requests:

Category (1) This is a group of projects that predated the Serial Study Group. These projects were being processed under the ISO’s “Amendment 39 procedures, or the LGIP, where the interconnection studies had been completed. The ISO is finishing out these projects, processing them under the Amendment 39 procedures, ISO Tariff Appendix W, *Interconnection Procedures in Effect Prior*

¹ The reporting period for Q4 2008 in the prior report was September 26, 2008, the effective date of FERC’s Order accepting the GIPR Amendment, and end of the calendar year. That report is Accession No. 20090227-5220 in the instant docket.

² *California Indep. System Operator*, 124 FERC ¶ 61,013 (2008).

to July 1, 2005 (“Amendment 39 Procedures”), or the LGIP procedures which preceded the GIPR Amendment (ISO Tariff Appendix U, *Standard Large Generator Interconnection Procedures* (LGIP), as appropriate;

Category (2) The Serial Study Group comprises this category. The ISO is processing this group under the LGIP which preceded the GIPR Amendment (ISO Tariff Appendix U, *Standard Large Generator Interconnection Procedures* (LGIP));

Category (3) This category consists of the projects in the Transition Cluster, which consists of LGIP Interconnection Requests that had been pending as of June 2, 2008 that were not assigned to the Serial Study Group category. This category of interconnection requests is being processed under ISO Tariff Appendix Y, *Large Generator Interconnection Procedures (LGIP) for Interconnection Requests in a Queue Cluster Window*, and Appendix 2 to Appendix Y, *Large Generator Interconnection Procedures (LGIP) Relating to the Transition Cluster*; and

Category (4) The First Queue Cluster, which is the first group of Interconnection Requests that will be processed under the new GIPR Amendment. All Interconnection Requests received during the period from June 2, 2008 to July 31, 2009 will be placed in this category, and they will be processed under ISO Tariff Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*).

The Overall Status of the Queue

The breakdown of ISO interconnection requests within the queue is depicted in Table 1.

Table 1 Breakdown of the ISO Interconnection Request Queue	
Category 1: Amendment 39 Projects and LGIP Projects which had completed study process prior to the GIPR Amendment	
Number of projects in Category 1	45
Number of projects which have completed interconnection process	16
Number of projects not completed	29
Number of projects having completed interconnection process since prior Quarterly Report (Q4 2008)	+4
<u>Breakdown of the status of projects in this Category</u>	
Projects with LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD)	16 (These projects have completed the process; completed projects are shown as "Complete" in the ISO Queue and are not removed from the Queue.)
Projects which have executed LGIAs and are online but have not yet declared Commercial Operation	1
Projects for which studies and LGIAs have been completed but which have not yet come online	27
Projects for LGIA negotiation is not yet complete	1
Category 2: The Serial Study Group	
Number of projects in Category 2	75
Number of projects which have completed interconnection process	0
Number of projects to be completed	75
Number of projects having completed interconnection process since prior Quarterly Report (Q4 2008)	0
Number of Projects that have withdrawn since prior Quarterly Report (Q4 2008)	0
<u>Breakdown of Projects in this Category</u>	
<u>Interconnection Agreements</u>	
Projects with LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD)	0
Projects which have executed LGIAs and are online but have not yet declared Commercial Operation	0
Projects for which studies and LGIAs have been completed but which have not yet come online	8

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 PROGRESS IN PROCECESSING INTERCONNECTION REQUESTS

Docket No. ER08-1317-003

<u>Study Work</u>	
Projects for which studies are completed and LGIA negotiations are in progress	27
Projects for which Facilities Study is in progress	36
Projects for which a System Impact Study (SIS) or SIS Re-Study is in progress	4
Category 3: The LGIP Transition Cluster	
Number of eligible Projects as of 9/26/2008 (date of FERC Sept 26 Order)	230
Transition Cluster eligible Projects having withdrawn as of November 25, 2008:	122
Active Transition Cluster Projects as of 3/31/2009	108 (no change from last report)
Category 4: First Queue Cluster under reformed process (request window opened on 6/2/2008; window remains open through 7/31/2009)	
Interconnection Requests received to date	8
Miscellaneous Information	
Number of SGIP (Small Generator Interconnection Procedure) Projects as of 3/31/2009	12
Change from Prior Report (Q4 2008)	+3
Total project withdrawals in queue across all types (including Amendment 39 projects, LGIP projects placed in Serial Study Group and Transition Cluster eligible projects deemed withdrawn)	[251]
Additional withdrawals since prior report (Q4 2008)	0 (no change)

As of the end of Q1 2009, the ISO interconnection queue consists of 490 line items. corresponding to the first three categories, as well as several miscellaneous items of information. Category 4 is not included, as explained below Table 2. The 490 line items break down as follows:

Category 1	Amendment 39 Projects and LGIP Projects which had completed study process prior to the GIPR Amendment	28
Category 2	Serial Study Projects	75
Category 3	LGIP Transition Cluster Projects	108
SGIP Projects		12
Completed Projects with declared COD		16
<u>Subtotal</u>		<u>239</u>
<u>Plus</u>		
Withdrawn Projects as of 3/31/2009		251
Total line items		490

As to Category 4, the First Queue Cluster, the 8 project Interconnection Requests that have been submitted during the currently-open window period have not been added as line items to the queue at this time. This is because the requests will not be reviewed for eligibility and validated until the close of the request window, which is July 31, 2009.

Progress in Processing Interconnection Requests

The Category 1: Amendment 39 and LGIP Projects for which study work had already been completed at time of GIPR Amendment

Of the 45 projects in this category, 12 had completed the entire process and were on line during Q4 2008, the last reporting period. During Q1 2009, 4 additional projects completed the interconnection process. One other project has signed an LGIA and gone online, but has not declared a commercial operation date. Twenty-seven projects have signed LGIAs but have not yet come online. One project is negotiating its LGIA.

Category 2: The Serial Study Group

Of the 75 Serial Study Group projects, 8 projects have executed LGIAs but have not come online, and 27 projects have completed the study process and are in the process of negotiating LGIAs. By comparison, at the end of Q4 2009, only 11 projects were in the process of negotiating LGIAs.

Seventy-one system impacts studies were completed as of the end of Q1 2009. Two projects are being restudied and another 2 are still in the study process. By comparison, at the end of the prior quarter, only 6 projects were undergoing system impacts studies, and those studies had been uncompleted, and were still in progress.

Thirty five facilities studies were completed as of the end of Q1 2009, with an additional 36 facility studies underway, and in progress.

No additional projects have withdrawn during Q1 of 2009. As indicated in the prior report, one Serial Study project withdrew during Q4 of 2008.

Category 3: The Transition Cluster

During Q1 2009, the ISO performed the on-peak and off-peak deliverability assessment studies and proposed mitigation plans for violations identified in those studies. In addition, the ISO has discussed the study results with the PTOs and proposed mitigation plans.

During this same period, the PTOs have been undertaking the power flow portion of the on-peak and off-peak reliability studies and developing mitigation plans for violations identified in the power flows or supplementing the mitigation plans proposed by the ISO.

Discussions between the ISO and PTOs regarding the mitigation plans for violations identified in the PTOs power flow studies began in April 2009 and are currently underway.

The breakdown by technology of interconnection customers in the Transition Cluster is unchanged from the last report, and is as follows:

Table 3						
Transition Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		B	G	NG	S	W
Steam Turbine	44	1.5	7		35.5	
Photovoltaic	27				27	
Wind Turbine	16					16
Combined Cycle	13			13		
Combined Cycle/PV	1			0.5	0.5	
Combustion Turbine	4			4		
Reciprocating Engine	1			1		
Other	2				2	
Total	108	1.5	7	18.5	65	16

B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind

Category 4: The First Queue Cluster

The situation for the First Queue Cluster remains unchanged since the last report. This category continues to consist of 8 interconnection requests received since the interconnection request window opened on June 2, 2008. The category 4 projects will not be considered to be “in the queue” because they will not be reviewed and validated by the ISO until the cluster window closes on July 31, 2009.

Attachment - Timeline Chart

Generation Interconnection Process Reform (GIPR) Proposal Timelines

Transition Cluster and Future Cluster Windows

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 proceedings, 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 27th day of February 2009 at Folsom in the State of California.

Asl Anna Pascuzzo

Anna Pascuzzo