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December 17, 2007

## VIA MESSENGER

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

FILED  
OFFICE OF THE  
SECRETARY  
2007 DEC 17 P 1:52  
FEDERAL ENERGY  
REGULATORY COMMISSION

**Re: Small Generator Interconnection Procedures of the  
California Independent System Operator**

**Docket Nos. RM02-12-000 and ER06-629-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d and Part 35 of the Federal Energy Regulatory Commission's ("FERC" or the "Commission") regulations, 18 C.F.R. § 35 *et seq.*, and in compliance with the Commission's "Order on Small Generator Interconnection Compliance Filings," 121 FERC ¶ 61,177 (2007) ("November 16 Order") and Order No. 2006,<sup>1</sup> the California Independent System Operator Corporation ("CAISO") respectfully submits an original and five copies of a supplement to the filing of its Small Generator Interconnection Procedures ("SGIP") for Commission approval. The CAISO is also tendering two copies of this filing to be time and date stamped and returned to our courier.

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<sup>1</sup> See *California Independent System Operator Corp.*, 121 FERC ¶ 61,177 (2007) ("November 16 Order"); *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 70 FR 34100 (June 13, 2005), FERC Stats. & Regs. Regulations Preambles, Vol. III, ¶ 31,180 (2005); *order on reh'g*, Order No. 2006-A, 70 FR 71760 (Nov. 30, 2005), FERC Stats. & Regs. ¶ 31,196, *clarified*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006), *appeal pending sub nom. Consolidated Edison Co. of New York, Inc., et al. v. FERC* (D.C. Cir. Docket Nos. 06-1018, *et al.*).

## **I. BACKGROUND**

On February 10, 2006, the CAISO submitted its SGIP and associated revisions to then-Section 5.7 and Appendix A of the ISO Tariff for Commission approval in compliance with Order No. 2006 ("February 10 SGIP Filing"). On October 25, 2006, the CAISO submitted a compliance filing amending certain provisions of the *pro forma* SGIP study agreements in compliance with Commission Order No. 2006-B.

On November 16, 2007, the Commission accepted in part and rejected in part the proposed variations from the Commission's *pro forma* SGIP and the other associated revisions to the provisions of the ISO Tariff. On December 13, 2007, the CAISO submitted a filing of its SGIP in compliance with the November 16 Order. However, the CAISO neglected to include in that filing the revisions to Section 25 of the ISO Tariff also required to be filed in response to that order. The instant filing supplements the CAISO December 13 filing to complete its compliance with the provisions of the Commission's November 16 Order.

## **II. DESCRIPTION OF THE FILING**

### **A. Filing of Accepted ISO Tariff Section 25 Revisions in Compliance with November 16 Order**

In addition to the revisions to the SGIP directed in the November 16 Order, which were the subject of the CAISO's December 13 filing, the Commission in Paragraph 85 of the November 16 Order directed the CAISO to file revisions to Section 25 of the ISO Tariff incorporating revisions accepted by the Commission to former Section 5.7 of the ISO Tariff. The Commission directed the filing of these revisions due to the fact that former Section 5.7 of the ISO Tariff, which was the subject of the revisions filed by the CAISO in its February 10 SGIP Filing, is now Section 25 of the ISO Tariff. The CAISO has attached tariff sheets showing the accepted revisions to former Section 5.7 as revisions to current Section 25. The CAISO has made one additional revision to the accepted provisions of revised Section 25, which is to update the reference to the SGIP's current location in ISO Tariff Appendix AA, in lieu of the filed language that referenced the SGIP's original location in Appendix X.

### **B. Re-Filing of the ISO Tariff Sheets for Revisions to Appendix A Accepted in the November 16 Order**

In conjunction with this supplement to the SGIP compliance filing required for the revisions to ISO Tariff Section 25, the CAISO has also taken this opportunity to re-file the tariff sheets for Appendix A of the ISO Tariff showing the

revisions to Appendix A accepted in the November 16 Order. While these revisions were accepted as filed in the November 16 Order, the originally-filed tariff sheets showed an unspecified effective date to be established pursuant to the Commission's order. In compliance with the Commission's Order No. 614, the attached revised tariff sheets for Appendix A show the Commission's ordered effective date of November 16, 2007.

### III. CONTENTS OF FILING

The supporting documents submitted with this filing are as follows:

|              |   |
|--------------|---|
| Attachment A | Clean Section 25 and Appendix A ISO Tariff Sheets                                 |
| Attachment B | Section 25 and Appendix A Tariff Sheets Blacklined Against the Current ISO Tariff |

### IV. COMMUNICATIONS

Correspondence and other communications regarding this filing should be directed to:

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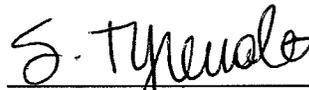
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\* Individual designated for service.

**V. CONCLUSION**

For the foregoing reasons, the CAISO respectfully requests that the Commission accept the attached revised tariff sheets in addition to the revised SGIP with the effective date of November 16, 2007, pursuant to the November 16 Order.

Respectfully submitted,



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# Attachment A

**Attachment A – Clean Sheets**

**Supplemental**

**Small Generator Interconnection Procedures Compliance Filing**

**December 17, 2007**

geographically located.

**24.8 Ownership of and Charges for Expansion Facilities.**

**24.8.1** All transmission additions and upgrades constructed in accordance with this Section 24 shall form part of the ISO Controlled Grid and shall be operated and maintained by a Participating TO in accordance with the Transmission Control Agreement.

**24.8.2** Each Participating TO that owns or operates transmission additions and upgrades constructed in accordance with this Section 24 shall provide access to them and charge for their use in accordance with this ISO Tariff and its TO Tariff.

**24.9 Expansion by "Local Furnishing" Participating TOs**

Notwithstanding any other provision of this ISO Tariff, a Local Furnishing Participating TO shall not be obligated to construct or expand facilities, (including interconnection facilities as described in Section 8 of the TO Tariff) unless the ISO or Project Sponsor has tendered an application under FPA Section 211 that requests FERC to issue an order directing the Local Furnishing TO to construct such facilities pursuant to Section 24 of the ISO Tariff. The Local Furnishing TO shall, within 10 days of receiving a copy of the Section 211 application, waive its right to a request for service under FPA Section 213(a) and to the issuance of a proposed order under FPA Section 212(c). Upon receipt of a final order from FERC that is no longer subject to rehearing or appeal, such Local Furnishing TO shall construct such facilities in accordance with this Section 24.

**25 INTERCONNECTION OF GENERATING UNITS AND GENERATING FACILITIES TO THE ISO CONTROLLED GRID.**

**25.1 Applicability.**

This Section 25 and the Standard Large Generator Interconnection Procedures (LGIP) set forth in ISO Tariff Appendix U, the Small Generator Interconnection Procedures (SGIP) set forth in ISO Tariff Appendix AA, or ISO Tariff Appendix W, as applicable, shall apply to:

- (a) each new Generating Unit that seeks to interconnect to the ISO Controlled Grid;
- (b) each existing Generating Unit connected to the ISO Controlled Grid that will be modified with a

resulting increase in the total capability of the power plant;

(c) each existing Generating Unit connected to the ISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria; and

(d) each existing qualifying facility Generating Unit connected to the ISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2 below.

**25.1.1** The owner of a Generating Unit described in Section 25.1 (a), (b), or (c), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with the LGIP, SGIP, or ISO Tariff Appendix W, as applicable, which applicability shall be based on the maximum rated capacity of the new total capability of the power plant, including the capability of all of multiple energy production devices at a site, consistent with Section 4.10 of the SGIP.

**25.1.2** If the owner of a qualifying facility described in Section 25.1(d), or its designee, represents that the total capability and electrical characteristics of the qualifying facility will be substantially unchanged, then that entity must submit an affidavit to the ISO and the applicable Participating TO representing that the total capability and electrical characteristics of the qualifying facility will remain substantially unchanged. If there is any change to the total capability and electrical characteristics of the qualifying facility, however, the affidavit shall include supporting information describing any such changes. The ISO and the applicable Participating TO shall have the right to verify whether or not the total capability or electrical characteristics of the qualifying facility have changed or will change.

**25.1.2.1** If the ISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue.

However, the owner of the qualifying facility, or its designee, will be required to execute a Standard Large Generator Interconnection Agreement in accordance with Section 11 of the LGIP, a Small Generator Interconnection Agreement in accordance with Section 3.3.4, 3.4.5, or 3.5.7 and Section 4.8 of the SGIP, or an interconnection agreement in accordance with ISO Tariff Appendix W, as applicable.

**25.1.2.2** If the ISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the qualifying facility,

or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with the LGIP, the SGIP, or ISO Tariff Appendix W, as applicable.

**25.2 Interconnections to the Distribution System.**

Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with the Standard Large Generator Interconnection Procedures. In addition, each Participating TO will provide to the ISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

**25.3 Maintenance of Encumbrances.**

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the ISO. The applicable Participating TO, in consultation with the ISO, shall identify any such adverse effect on its Encumbrances in the Interconnection System Impact Study performed under Section 7 of the LGIP or under Section 3.4 of the SGIP, or under Section 5.1 of ISO Tariff Appendix W, as applicable. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

**26 TRANSMISSION RATES AND CHARGES.**

**26.1 Access Charges.**

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to

calculation refers. For example "Day 41" shall mean the 41st day after that Trading Day and similar expressions shall be construed accordingly.

**Day-Ahead**

Relating to a Day-Ahead Market or Day-Ahead Schedule.

**Day-Ahead Market**

The forward market for Energy and Ancillary Services to be supplied during the Settlement Periods of a particular Trading Day that is conducted by the ISO and other Scheduling Coordinators and which closes with the ISO's acceptance of the Final Day-Ahead Schedule.

**Day-Ahead Schedule**

A Schedule prepared by a Scheduling Coordinator or the ISO before the beginning of a Trading Day indicating the levels of Generation and Demand scheduled for each Settlement Period of that Trading Day.

**Default GMM**

Pre calculated GMM based on historical Load and interchange levels.

**Deliverability Assessment**

An evaluation by the Participating TO, ISO or a third party consultant for the Interconnection Customer to determine a list of facilities, the cost of those facilities, and the time required to construct these facilities, that would ensure a Generating Facility could provide Energy to the ISO Controlled Grid at peak load, under a variety of severely stressed conditions, such that the aggregate of Generation in the local area can be delivered to the aggregate of Load on the ISO Controlled Grid, consistent with the ISO's reliability criteria and procedures.

**Delivery Network**

Transmission facilities at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Controlled Grid.

**Upgrades**

**Delivery Point**

The point where a transaction between Scheduling Coordinators is deemed to take place. It can be either the Generation input point, a Demand Take-Out Point, or a transmission bus at some intermediate location.

**Demand**

The rate at which Energy is delivered to Loads and Scheduling Points by Generation, transmission or distribution facilities. It is the product of voltage and the in-phase component of alternating current measured in units of watts or standard multiples thereof, e.g., 1,000W=1kW, 1,000kW=1MW, etc.

**Demand Forecast**

An estimate of Demand over a designated period of time.

6 of the Standard Large Generator Interconnection Procedures.

**Interconnection Feasibility**

The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection Feasibility Study.

**Study Agreement**

**Interconnection Handbook**

A handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Criteria. In the event of a conflict between the terms of the LGIP or SGIP and the terms of the Participating TO's Interconnection Handbook, the terms in the LGIP or SGIP shall apply.

**Interconnection Request**

An Interconnection Customer's request, in the form of Part 1 to the Standard Large Generator Interconnection Procedures or Attachment 2 to the Small Generator Interconnection Procedures, in accordance with Section 25.1 of the ISO Tariff.

**Interconnection Service**

The service provided by the Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the ISO Controlled Grid and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement, the Participating TO's TO Tariff, and the ISO Tariff.

**Interconnection Study**

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

**Interconnection System**

**Impact Study**

An engineering study conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the ISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were

**Market Usage Charge**

The component of the Grid Management Charge that provides for the recovery of the ISO's costs, including, but not limited to the costs for processing Supplemental Energy and Ancillary Service bids, maintaining the Open Access Same-Time Information System, monitoring market performance, ensuring generator compliance with market protocols, and determining Market Clearing Prices. The formula for determining the Market Usage Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

**Master File**

A file containing information regarding Generating Units, Loads and other resources.

**Material Change in Financial Condition**

A change in or potential threat to the financial condition of a Market Participant or FTR Bidder that increases the risk that the Market Participant or FTR Bidder will be unlikely to meet some or all of its financial obligations. The types of Material Change in Financial Condition include but are not limited to the following:

- (a) a credit agency downgrade;
- (b) being placed on a credit watch list by a major rating agency;
- (c) a bankruptcy filing;
- (d) insolvency;
- (e) the filing of a material lawsuit that could significantly and adversely affect past, current, or future financial results; or
- (f) any change in the financial condition of the Market Participant or FTR Bidder which exceeds a five percent (5%) reduction in the Market Participant's or FTR Bidder's Tangible Net Worth or Net Assets for the Market Participant or FTR Bidder's preceding fiscal year, calculated in accordance with generally accepted accounting practices.

**Material Modification**

A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

**Maximum Import Capability**

A quantity in MW determined by the ISO for each branch group into the ISO Control Area to be deliverable to the ISO Control Area based on ISO study criteria.

**Network Upgrades**

The additions, modifications, and upgrades to the ISO controlled Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Generating Facility to the ISO Controlled Grid. Network Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades. Network Upgrades do not include Distribution Upgrades.

**New High Voltage Facility**

A High Voltage Transmission Facility of a Participating TO that is placed in service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made and placed in service after the beginning of the transition period described in Section 4.2 of Schedule 3 of Appendix F to an Existing High Voltage Facility.

**New Participating TO**

A Participating TO that is not an Original Participating TO.

**Nomogram**

A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC operating criteria.

**Non-Generation Solutions**

Solutions proposed by a PTO or an RA Entity that satisfy local area reliability needs of the ISO which serve as an alternative to generation capacity, including equipment upgrades, operating procedures such as switching, manual Load shedding or automatic Load shedding, and other operational strategies or tools.

**Non-Load-Serving**

**Participating TO**

A Participating TO that (1) is not a UDC, MSS Operator or Scheduling Coordinator serving End-Use Customers and (2) does not have Gross Load in accordance with Section 9 of Schedule 3 of Appendix F.

**Non-Participating**

**Generator**

A Generator that is not a Participating Generator.

**Non-Participating TO**

A TO that is not a party to the TCA or for the purposes of Sections 16.1 and 16.2 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.

from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or v) metered output is available only for the combined output of related multiple generating components and separate generating component metering is either impractical or economically inefficient.

**Planning Reserve Margin**

A Planning Reserve Margin shall be that quantity or percentage of capacity in MWs that exceeds the Demand Forecast set forth in Section 40.3 as provided for in Section 40.4 of this ISO Tariff.

**PMS (Power Management System)**

The ISO computer control system used to monitor the real-time performance of the various elements of the ISO Controlled Grid, control Generation, and perform operational power flow studies.

**Point of Change of Ownership**

The point, as set forth in Part A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

**Point of Interconnection**

The point, as set forth in Part A to the Standard Large Generator Interconnection Agreement or Attachment 3 to the Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the ISO Controlled Grid.

**Power Flow Model**

The computer software used by the ISO to model the voltages, power injections and power flows on the ISO Controlled Grid and determine the expected Transmission Losses and Generation Meter Multipliers.

**Power System Stabilizers (PSS)**

An electronic control system applied on a Generating Unit that helps to damp out dynamic oscillations on a power system. The PSS senses Generator variables, such as voltage, current and shaft speed, processes this information and sends control signals to the Generator voltage regulator.

|  |   |
|--|---|
| <b><u>Energy</u></b>                                   | instructed by the ISO or which the ISO Tariff provides will be paid at the price for Uninstructed Imbalance Energy.   |
| <b><u>Unit Commitment</u></b>                          | The process of determining which Generating Units will be committed (started) to meet Demand and provide Ancillary Services in the near future ( <u>e.g.</u> , the next Trading Day).   |
| <b><u>Unrated Governmental Entity</u></b>              | A municipal utility or state or federal agency that does not hold an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.  |
| <b><u>Unrated Public/Private Corporation</u></b>       | An investor-owned or privately held entity that does not hold an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.  |
| <b><u>Un-Recovered Minimum Load Cost</u></b>           | The Un-Recovered Minimum Load Cost for each hour of Waiver Denial Period shall be calculated as the difference between: (1) a resource's Minimum Load Costs as calculated in this Section for the same Settlement Interval and (2) the Imbalance Energy payment for a resource's minimum load energy in the Settlement Interval.  |
| <b><u>Unsecured Credit Limit</u></b>                   | The level of credit established for a Market Participant or FTR Bidder that is not secured by any form of Financial Security, as provided for in Section 12 of the ISO Tariff.  |
| <b><u>Upgrades</u></b>                                 | The required additions and modifications to the ISO Controlled Grid and the Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.   |
| <b><u>Usage Charge</u></b>                             | The amount of money, per 1 kW of scheduled flow, that the ISO charges a Scheduling Coordinator for use of a specific Congested Inter-Zonal Interface during a given hour.   |
| <b><u>Validation, Estimation and Editing (VEE)</u></b> | Applies to Meter Data directly acquired by the ISO. Validation is the process of checking the data to ensure that it is contiguous, within pre-defined limits and has not been flagged by the meter. Estimation and Editing is the process of replacing or making complete Meter Data by using data from redundant meters, schedules, PMS or, if necessary, statistical estimation. |

**Value Added Network**  
**(VAN)**

A data communications service provider that provides, stores and forwards electronic data delivery services within its network and to subscribers on other VANs. The data is mostly EDI type messages.

**Voltage Limits**

For all substation busses, the normal and post-contingency Voltage Limits (kV). The bandwidth for normal Voltage Limits must fall within the bandwidth of the post-contingency Voltage Limits. Special voltage limitations for abnormal operating conditions such as heavy or light Demand may be specified.

# Attachment B

**Attachment B – Blacklines**

**Supplemental**

**Small Generator Interconnection Procedures Compliance Filing**

**December 17, 2007**

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## **25 INTERCONNECTION OF GENERATING UNITS AND GENERATING FACILITIES TO THE ISO CONTROLLED GRID.**

### **25.1 Applicability.**

This Section 25 and the Standard Large Generator Interconnection Procedures (LGIP) set forth in ISO Tariff Appendix U, the Small Generator Interconnection Procedures (SGIP) set forth in ISO Tariff Appendix AA, or ISO Tariff Appendix W, as applicable, shall apply to:

- (a) each new Generating Unit that seeks to interconnect to the ISO Controlled Grid;
- (b) each existing Generating Unit connected to the ISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;
- (c) each existing Generating Unit connected to the ISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria; and
- (d) each existing qualifying facility Generating Unit connected to the ISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2 below.

**25.1.1** The owner of a Generating Unit described in Section 25.1 (a), (b), or (c), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with the LGIP, SGIP, or ISO Tariff Appendix W, as applicable, which applicability shall be based on the maximum rated capacity of the new total capability of the power plant, including the capability of all of multiple energy production devices at a site, consistent with Section 4.10 of the SGIP.

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**25.1.2.1** If the ISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue.

However, the owner of the qualifying facility, or its designee, will be required to execute ~~either~~ a Standard Large Generator Interconnection Agreement in accordance with Section 11 of the LGIP, a Small Generator Interconnection Agreement in accordance with Section 3.3.4, 3.4.5, or 3.5.7 and Section 4.8 of

the SGIP, or an interconnection agreement in accordance with ISO Tariff Appendix W, as applicable.

**25.1.2.2** If the ISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the qualifying facility, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with either the LGIP, the SGIP, or ISO Tariff Appendix W, as applicable.

\* \* \*

### **25.3 Maintenance of Encumbrances.**

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the ISO. The applicable Participating TO, in consultation with the ISO, shall identify any such adverse effect on its Encumbrances in the Interconnection System Impact Study performed under Section 7 of the LGIP or under Section 3.4 of the SGIP, or under Section 5.1 of ISO Tariff Appendix W, as applicable. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

\* \* \*

## **ISO TARIFF APPENDIX A Master Definitions Supplement**

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### **Deliverability Assessment**

An evaluation by the Participating TO, ISO or a third party consultant for the Interconnection Customer to determine a list of facilities, the cost of those facilities, and the time required to construct these facilities, that would ensure a ~~Large~~ Generating Facility could provide Energy to the ISO Controlled Grid at peak load, under a variety of severely stressed conditions, such that the aggregate of Generation in the local area can be delivered to the aggregate of Load on the ISO Controlled Grid, consistent with the ISO's reliability criteria and procedures.

\* \* \*

**Interconnection Handbook**

A handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Criteria. In the event of a conflict between the terms of the LGIP or SGIP and the terms of the Participating TO's Interconnection Handbook, the terms in the LGIP or SGIP shall apply.

**Interconnection Request**

An Interconnection Customer's request, in the form of Part 1 to the Standard Large Generator Interconnection Procedures or Attachment 2 to the Small Generator Interconnection Procedures, in accordance with Section 25.1 of the ISO Tariff.

\* \* \*

**Material Modification**

~~These A~~ modifications that have a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

\* \* \*

**Network Upgrades**

The additions, modifications, and upgrades to the ISO controlled Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Large-Generating Facility to the ISO Controlled Grid. Network Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades. Network Upgrades do not include Distribution Upgrades.

\* \* \*

**Point of Interconnection**

The point, as set forth in Part A to the Standard Large Generator Interconnection Agreement or Attachment 3 to the Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the ISO Controlled Grid.

\* \* \*

**Upgrades**

The required additions and modifications to the ISO Controlled Grid and the Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

\* \* \*

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each person designated on the official service list for the captioned proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010). Dated this 17<sup>th</sup> day of December, 2007, at Washington, D.C.

  
\_\_\_\_\_  
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