



California ISO
Shaping a Renewed Future

Decision on interconnection process enhancements for independent study and fast track processes and FERC Order 792

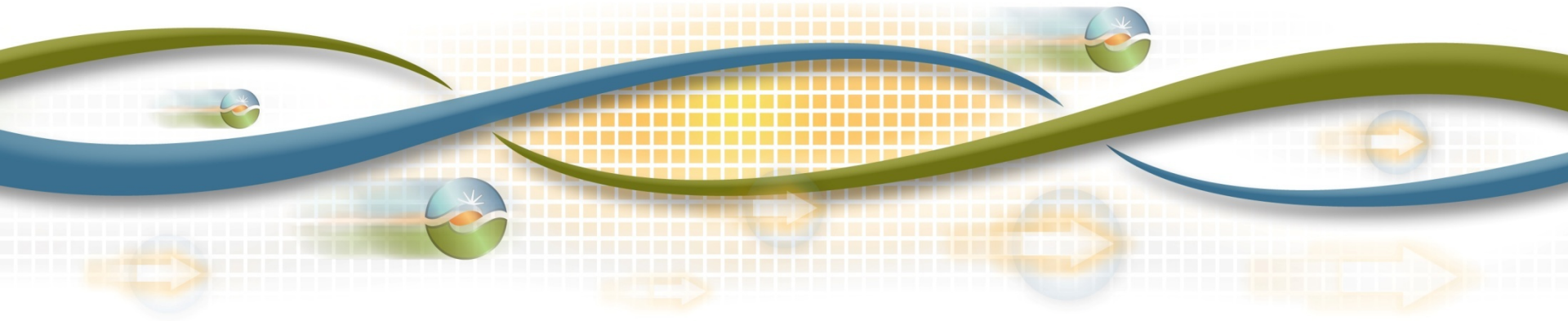
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Interconnection process enhancements initiative is a continuing effort to improve generation interconnection rules.

- Proposals for queue management and downsizing have already received Board approval through this initiative
- Two additional interconnection process enhancement topics are now ready for Board consideration
 - Improvements to the independent study process
 - Improvements to the fast track process
- Compliance filing for FERC Order Nos. 792 & 792-A were added to the scope of the fast track process improvement

Management proposes four areas of enhancements to the independent study process.

1. Criteria for independent study eligibility further defined
2. Tests for electrical independence relaxed
3. Process and timeline enhancements
4. Clarifications and modifications to behind-the-meter expansion

Management's proposed changes to behind-the-meter expansions include the following:

Proposed clarifications:

- Size of the expansion
- Impact on net qualifying capacity of the original project
- Non-eligibility for full capacity deliverability status

Proposed modifications:

- Removed requirement for a separate expansion breaker
 - Separate resource ID and separate metering required to maintain full capacity deliverability status
 - Limited exception for same technology
- Automatic tripping scheme required
- Allow separate ownership of expansion from the original facility

Management proposes several improvements to the fast track interconnection process.

- Revisions made to align process with transmission interconnection requirements; original requirements designed for distribution system
 - Eligibility screens revised
 - Studies revised
 - Supplemental review process enhanced
 - Timelines revised to reflect revised study functions
- Small processing fee eliminated
- Study deposit increased from \$1,000 to \$25,000 to reflect cost of performing a facility study
- Process reviewed against FERC Orders 792; 792-A and revised as necessary

Management proposes to address FERC Order 792 compliance through fast track and other tariff revisions.

- Variations allowed under “independent entity” standard
 - regional variations
 - variations that are consistent with or superior to the final rule
- Requirements met by current ISO tariff provisions:
 - Fast track eligibility thresholds
 - Customer comments on study results
 - Clarify certain sections of pro forma SGIA
- Requirements addressed by new tariff provisions:
 - Pre-application report process
 - Criteria for the interconnection of storage devices 20 MW or less
- Requirements addressed through fast track improvements:
 - Customer options meeting and supplemental review process

Management recommends approval of the proposal.

- Broadly supported by stakeholders
- Refined to address most of the stakeholders' comments and concerns
- Significantly improves the quality and effectiveness of the independent study and fast track processes
- Complies with FERC Orders 792 & 792A