January 30, 2013

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, Q4 2012
Docket Nos. ER08-1317-___, ER11-1830-___

Dear Ms. Bose:

Please find our fourth quarter 2012 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, Q4 2012". If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,
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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 Q4 2012

Quarterly Reporting Period:
September 30, 2012 to December 31, 2012

Date: January 30, 2013

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

This is the Fourth Quarter 2012 ("Q4 2012") report of the California Independent System Operator Corporation ("ISO"). The report describes the ISO's progress over the period September 30, 2012 to December 31, 2012 in processing generator interconnection requests under the ISO's interconnection process.

The current processes are (a) ISO Tariff Appendix Y, called the "Generator Interconnection Procedures ("GIP")[1]; and ISO Tariff Appendix DD, the "Generator Interconnection Deliverability Allocation Process ("GIDAP"). The GIP applies to queue clusters through cluster four, and the GIDAP applies to queue cluster five and future clusters.

The GIP and GIDAP combine govern all interconnection requests in the queue clusters to which they apply, regardless of whether the proposed facility is a large generating facility or a small generating facility. Under either the GIP or the GIDAP, an interconnection request is processed under one of three 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 independentfrom other projects in the cluster study (and demonstrate the ability to complete non-ISO development milestones (like licensing) sooner than typical development timeframes); 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.

[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 The Commission accepted ISO tariff Appendix DD effective July 25, 2012.

As explained in later sections of this report, the ISO is also processing some previous interconnection requests under prior "legacy" interconnection tariff processes.

The Quarterly Reporting Requirement arises 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 the later 2010 GIP Amendment. In 2008, the ISO revised its Large Generator Interconnection Process ("LGIP") to change from a serial approach to a queue cluster approach. The ISO called this tariff amendment "Generator Interconnection Process Reform (GIPR)." The ISO refers to this revised LGIP as the "Cluster LGIP."

The Commission's September 2008 Order that conditionally accepted the 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 Commission intended the quarterly reports to serve as a tool to evaluate how well the ISO's queue cluster process is working.

The Commission later added reporting requirements for ISP and Fast Track processing in its December 2010 Order on the GIP Phase 1

In a later December 2010 Order accepting the GIP (which the ISO now calls GIP Phase 1, after the ISO undertook another GIP Phase 2 process in 2011), the Commission directed the ISO to include additional reporting requirements within the quarterly status reports. The additional reporting subjects relate to the independent study process ("ISP") and fast track process. For the ISP, the Commission directed the ISO to include information about the number of projects requesting interconnection through the ISP, the

[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.

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.[3]

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.[4]

The ISO continues to refine Its Generation Interconnection Process

As the Commission is aware, since 2008, the ISO has amended its interconnection tariff four times (in each of the years 2009, 2010, 2011 and 2012). The Commission accepted the ISO's GIP Phase 2 tariff amendment effective January 31, 2012.[5] In May, the ISO again amended its interconnection processes with the filing of the ISO's Transmission Planning Process Generation Interconnection Process integration tariff amendment filing which included new ISO Tariff Appendix DD, GIDAP. The Commission accepted the tariff amendment effective July 25, 2012.[6]

The ISO continues to work with stakeholders to refine the interconnection process. The Commission approved the ISOs generator project downsizing initiative in December 2012, which provided a new one-time downsizing opportunity for customers with projects that are otherwise viable, but for the ability to reduce the MW generating capacity of the proposed facility.[7] The ISO is now completing the validation process for submitted downsizing applications. The ISO expects to complete the downsizing effort under the tariff amendment in Q3 2013. The ISO will commence its GIP Phase 3

[3] *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").
[4] *Id.* at P 117.
[5] http://elibrary.ferc.gov/idmws/File_list.asp?document_id=13975721
[6] *California Independent System Operator Corp*., 140 FERC ¶ 61,070 (2012).
[7] *Order Conditionally Accepting Tariff Amendment, dated December 20, 2012* California Independent System Operator Corp., 141 FERC ¶ 61,219 (2012).

stakeholder initiative in Q1 2013.

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 Load Serving Entities satisfy their load requirements from 33% renewable energy sources by 2020.[8]

Prior Quarterly Reports

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

2012

Q3 2012 report (dated October 30, 2012) accessible at
http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13100776

Q2 2012 report (dated July 30, 2012) accessible at
http://www.caiso.com/Documents/July302012-SecondQuarter2012InterconnectionReport-DocketNos_ER08-1317_ER11-1830.pdf

Q1 2012 report (dated April 30, 2012) accessible at
http://www.caiso.com/Documents/April302012FirstQuarter2012interconnectionreportER08-1317.pdf

2011

Q4 2011 report (dated January 31, 2012) accessible at
http://www.caiso.com/Documents/2011-01-31_ER08-1317_Q4InterconnectionRpt.pdf

Q3 2011 report (dated October 31, 2011) accessible at
http://www.caiso.com/Documents/2011-10-31_Q3FERCQuarterlyRpt_ICQ.pdf

Q2 2011 report (dated August 1, 2011, accessible at
http://www.caiso.com/Documents/2011-08-01_Q2InterconnectionRpt_ER08-1317_ER11-1830.pdf

[8] 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).

Q1 2011report (dated May 3 2011) The corrected filing (errata filing) which re-submitted the report with corrected Table 6 is accessible at http://www.caiso.com/Documents/2011-05-03_ErrataQ1_2010quarterlyprogressstatusreport_ER08-1317_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

Q4 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:[9]

- ***Two legacy serial groupings***

o 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.

[9] 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.

The associated interconnection studies for these projects had already been complete.[10]

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 submittal date was on or after July 1, 2005, then 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.

  - ***ISO Queue Clusters governed by the GIP***

  For the grouping of interconnection request up through and including queue cluster four, the applicable interconnection procedure is Appendix Y, *Generator Interconnection Procedures (GIP) for the Interconnection Requests in a Queue Cluster Window*.

- 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.

- 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)

- 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)

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

- 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)

- Component 7: the fourth queue cluster, the fourth group of interconnection requests received during the open request window (March 1-31, 2011).[11].

  - ***ISO Queue Clusters governed by the GIDAP***

  Queue clusters after cluster four are governed by ISO's newest interconnection procedure, Appendix DD, *Generator Interconnection and Deliverability Allocation Process* (known as the "GIDAP").

- Component 8: the fifth queue cluster, the fifth group of interconnection requests received during the open request window (March 1-31, 2012).

  - ***Customers governed by GIP Tracks other than the Queue Cluster Track***

- Component 9: 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 April 2012. 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 10: 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 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 conduction for LGIP Cluster 1 and Cluster 2. Only a few customers chose to move their projects into the transition group. Consequently, 63 projects opted

[11] 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 are being processed together with the cluster track applications received during March 2011 window period.

to remain in the SGIP serial study group and 65 projects are in the SGIP transition cluster.

- Component 11: 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 directed 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.

II. COMPOSITION OF CLUSTER INTERCONNECTION REQUESTS BY TECHNOLOGY

Component 1: The Pre-Serial Group

The breakdown by technology of interconnection customers in the pre-serial group is as follows:

Table 1
Pre-Serial Interconnection Customers Categorized by Prime Mover Technology

Prime Mover	Number	Technology				
		WTR	G	NG	B	W
Steam Turbine	2		1		1	
Hydraulic Turbine						
Wind Turbine	4					4
Combined Cycle	3			3		
Combined Cycle/PV						
Combustion Turbine	3			3		
Total	**12**		**1**	**6**	**1**	**4**

B=Biomass; G=Geothermal; NG=Natural Gas; WTR=Water; W=Wind

One wind project achieved commercial operations in Q3 2012.

Component 2: The Serial Group

The breakdown by technology of interconnection customers in the serial group is as follows:

Table 2
Serial Interconnection Customers Categorized by Prime Mover Technology

Prime Mover	Number	Technology					
		WTR	G	NG	B	S	W
Steam Turbine	9		1		1	7	
Wind Turbine	14						14
Natural Gas	9			9			
Photovoltaic	6					6	
Pumped Storage	1	1					
Total	**39**	**1**	**1**	**9**	**1**	**13**	**14**

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

Since Q3 2012, two wind projects withdrew from serial study group and three projects achieved commercial operations.

Component 3: The Transition Cluster

The breakdown by technology of interconnection customers in the transition cluster 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	9			1	8	
Photovoltaic	14				14	
Wind Turbine	7					7
Combined Cycle	4			4		
Combined Cycle/PV	1			0.5	0.5	
Combustion Turbine	2			2		
Total	**37**	**0**	**0**	**7.5**	**22.5**	**7**

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

There were no changes to the Transition Cluster noted during Q4 2012.

Component 4: The First Queue Cluster

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

Table 4
First Queue Cluster Interconnection Customers Categorized by Prime Mover Technology

Prime Mover	Number	Technology				
		WTR	NU	NG	S	W
Steam Turbine	1		1			
Photovoltaic	7				7	
Wind Turbine	1					1
Hydraulic Turbine	1	1				
Total	**10**	**1**	**1**	**0**	**7**	**1**

WTR=Water; NU=Nuclear; NG=Natural Gas; S=Solar; W=Wind

There were no changes to Cluster 1 during Q4 2012.

Component 5: The Second Queue Cluster

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

Table 5
Second Queue Cluster Interconnection Customers
Categorized by Prime Mover Technology

Prime Mover	Number	Technology				
		G	NG	S	W	WTR
Steam Turbine	1	1				
Photovoltaic	16			16		
Wind Turbine	1				1	
Combined Cycle	3		3			
Combustion Turbine	1		1			
Reciprocating Engine	1		1			
Total	**23**	**1**	**5**	**16**	**1**	**0**

W=Water; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind

There were no changes to Cluster 2 in Q4 2012.

Component 6: The Third Queue Cluster

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

Table 6
Third Queue Cluster Interconnection Customers
Categorized by Prime Mover Technology

Prime Mover	Number	Technology				
		G	NG	S	W	B
Steam Turbine	2			1		1
Photovoltaic	13			13		
Wind Turbine	2				2	
Combustion Turbine/PV	1			0.5	0.5	
Total	**18**	**0**	**0**	**14.5**	**2.5**	**1**

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

There were no changes to Cluster 3 noted in Q4 2012. For the remaining projects, the generator interconnection agreement negotiation period began in Q4 2012 and runs through Q1 2013.[12]

Component 7: The Fourth Queue Cluster

The breakdown by technology of interconnection customers in the fourth queue cluster is.

Table 7
Fourth Queue Cluster Interconnection Customers Categorized by Prime Mover Technology

Prime Mover	Number	Technology					
		G	NG	S	W	WTR	Li
Steam Turbine	4	1		3			
Photovoltaic	47			47			
Wind Turbine	2				2		
Combined Cycle	1		1				
Combustion Turbine	1		1				
Hydraulic Turbine	1					1	
Pumped Storage	0					0	
Battery Storage	1						1
Total	**57**	**1**	**2**	**50**	**2**	**1**	**1**

G=Geothermal; NG=Natural Gas; S=Solar; W=Wind; WTR=Water; Li=Lithium-ion Battery

There were no changes to Cluster 4 during Q4 2012. As noted in prior quarterly reports, the ISO utilized an alternative Cluster 4 methodology, which is posted on the ISO's website, in preparing interconnection study reports.[13] The interconnection agreement negotiation period for queue cluster 4 customers runs from Q4 2012 to Q1 2013.

[12] The exact timing for tendering an interconnection agreement to a specific customer depends upon the date the ISO conducted the interconnection study results meetings with the interconnection customer and participating transmission owner.

[13] 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 Technical Bulletin "Revisions to Cluster 4, Phase 1 Study Methodology" can be accessed from the page, at hyperlink http://www.caiso.com/Documents/Generation%20interconnection%20cluster%204%20phase%201%20methodology%20-%20papers%20and%20proposals/FinalTechnicalBulletin-GenerationInterconnectionProceduresRevisionCluster4Methodolog.pdf

Component 8: The Fifth Queue Cluster

The breakdown by technology of interconnection customers in the fourth queue cluster is:

Table 8
Fifth Queue Cluster Interconnection Customers Categorized by Prime Mover Technology

Prime Mover	Number	Technology					
		G	NG	S	W	WTR	FW
Steam Turbine	3	1		2			
Photovoltaic	29			29			
Wind Turbine	3				3		
Combined Cycle	5		5				
Combustion Turbine	5		5				
Hydraulic Turbine	1					1	
Other (CHP)	3		3				
Flywheel	1						1
Total	**50**	**1**	**13**	**31**	**3**	**1**	**1**

G=Geothermal; NG=Natural Gas; S=Solar; W=Wind; WTR=Water; CHP = Combined Heat & Power; FW=Flywheel

There were no changes to Cluster 5 in Q4 2012.

III. QUARTERLY PROGRESS IN PROCESSING THE QUEUE

Component 1: Pre-Serial Projects

Table 9 Queue Component 1 Projects - Amendment 39	Q 4 2012	Q 3 2012
Number of active projects which have completed the GIA negotiation process	9	10
Number of active projects which have not completed the GIA negotiation process	3	3
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	1	1
Number of projects in this category	13	14

One project was completed during Q4 2012. Of the 12 pre-serial projects in the queue, the three projects designated as without an LGIA are in active negotiations and are expected to execute an LGIA in the near future. The remaining nine projects are being actively monitored to ensure they adhere to the Appendix B milestones.

C**omponent 2: The Serial Study Group**

Table 10 Queue Component 2 Projects - The Serial Study Group	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	28	31
Number of active projects which have not completed the GIA negotiation process	11	13
Number of projects withdrawn this quarter	2	1
Projects completed during the quarter	0	0
Number of projects in this category	41	45

Two projects withdrew from the serial study group in Q4 2012 and three projects achieved commercial operations. Currently there are 39 active serial study projects which have not achieved commercial operation. Eleven projects still need to complete the negotiation of the interconnection agreement.

Component 3: The Transition Cluster

Table 11 Queue Component 3 Projects - The Transition Cluster	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	22	22
Number of active projects which have not completed the GIA negotiation process	15	15
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	37	37

There were no changes to the transition cluster group in Q4 2012.

Component 4: The First Queue Cluster

Table 12 Queue Component 4 Projects - The First Queue Cluster under GIPR LGIP	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	3	3
Number of active projects which have not completed the GIA negotiation process	7	7
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	10	10

There were no changes to Cluster 1 in Q4 2012. Under the Cluster LGIP, Cluster 1 and 2 were studied together in a combined Phase II interconnection study process. This provision of the Cluster GIP was carried over into the GIP for Clusters 1 through 4 because these clusters were already in progress when the GIP (GIP Phase 1) became effective. Accordingly, Cluster 3 and 4 (discussed below) were also studied in this fashion (separate Phase I studies followed by a combined Phase II study). As part of the interconnection process and after completion of the Phase II studies, the generator interconnection agreements are being tendered and negotiations are underway between

the ISO, participating transmission owners and interconnection customers. Those customers who posted the second financial posting will start negotiating the generator interconnection agreements in 2013.

Component 5: The Second Queue Cluster

Table 13 Queue Component 5 Projects - The Second Queue Cluster under GIPR LGIP	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	8	6
Number of active projects which have not completed the GIA negotiation process	15	17
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	23	23

Two customers in Cluster 2 completed the generation interconnection agreement negotiation process in Q4 2012 and executed a GIA. Fifteen customers remain to complete GIA negotiations. As stated above, Phase II interconnection studies for the second queue (Cluster 2) projects were completed in Q3 2011, having been part of a combined Phase II interconnection study process that included Clusters 1 and 2 (and also the SGIP transition cluster projects).

Component 6: The Third Queue Cluster

Table 14 Queue Component 6 Projects - The Third Queue Cluster under GIPR LGIP	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	0	0
Number of active projects which have not completed the GIA negotiation process	18	18
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	18	18

There were no changes to Cluster 3 in Q4 2012. The Phase 1 study reports for the Cluster 3 interconnection customers were issued in December 2011. The ISO sent these customers an invoice for their first interconnection financial security posting 90 calendar days after the study reports were sent to the customers. The ISO studied the 18 Cluster 3 projects which elected to move forward in a combined Phase II interconnection study along with the fourth queue cluster (Cluster 4). Cluster 3 and 4 interconnection customers were issued Phase II study reports in November 2012, and all Cluster 3 customers have been tendered draft GIAs. The ISO expects to complete GIA negotiations in Q1 2013.

Component 7: The Fourth Queue Cluster

Table 15 Queue Component 7 Projects - The Fourth Queue Cluster under GIPR LGIP	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	1	1
Number of active projects which have not completed the GIA negotiation process	56	56
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	57	57

There were no changes to Cluster 4 in Q4 2012. The Phase II study reports for the Cluster 4 interconnection customers were issued in November 2012 and all customers have been tendered a draft GIA. These customers have begun GIA negotiations and it is expected all will be completed within the 120 days prescribed in the tariff.

Component 8: The Fifth Queue Cluster

Table 16 Queue Component 8 Projects - The Fifth Queue Cluster under GIPR LGIP	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	0	0
Number of active projects which have not completed the GIA negotiation process	50	50
Number of projects withdrawn this quarter	0	15
Projects completed during the quarter	0	0
Number of projects in this category	0	65

There are a total of 50 projects in Cluster 5. The Phase I study results are on track to be issued in late January to early February 2013.

Component 9: Independent Study Process

Table 17 Component 9: Requests Within the Independent Study Process under GIP	Q4 2012	Q3 2012
Active Projects as of beginning of Quarter	1	1
Interconnection Requests received	0	0
Number of Interconnection Requests that withdrew during the Quarter	0	0
Total Interconnection Requests	1	1

There were no changes to the ISP projects during Q4 2012.

Component 10: SGIP Transition Cluster projects

Table 18 Queue Component 10 Projects - The SGIP Transition Cluster	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	5	4
Number of active projects which have not completed the GIA negotiation process	25	26
Number of projects withdrawn this quarter	0	8
Projects completed during the quarter	0	0
Number of projects in this category	30	38

The SGIP transition cluster consists of projects 20MW and smaller 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 were transitioned to the GIP.

The 30 projects were included in the combined Phase II study for Clusters 1 and 2. The customers received their final study reports in November 2012, which completed their study process. The customers are now required to post their interconnection financial security along with the other projects in the Cluster 1 and Cluster 2 study process within 180 days after receiving the final study report. Customers have been tendered a draft GIA. Five customers have already completed negotiated the terms of their GIA.

Component 11: SGIP Serial Study projects

Table 19 Queue Component 10 Projects - SGIP Serial Projects	Q4 2012	Q3 2012
Number of active projects which have completed the GIA negotiation process	26	23
Number of active projects which have not completed the GIA negotiation process	21	26
Number of projects withdrawn this quarter	0	0
Projects completed during the quarter	0	0
Number of projects in this category	47	49

Two customers withdrew in Q4 2012, while another two customers completed GIA negotiations, leaving 21 projects to complete the GIA negotiation process.

Component 12: Fast Track Process

Table 20 Queue Component 11: Requests Within the Fast Track Process under GIP	Q4 2012	Q3 2012
Active Projects as of beginning of Quarter	1	1
Interconnection Requests received	0	0
Number of Interconnection Requests that withdrew or deemed to not qualify for the Fast Track Process during the Quarter	1	4
Total Interconnection Requests	1	5

In Q4 2012, the remaining Fast Track project withdrew.

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 30th day of January, 2013 at Folsom, California.

/s/ Anna Pascuzzo

Anna Pascuzzo