



California Independent
System Operator Corporation

July 30, 2010

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

**Re: Q2 Quarterly Report on Progress in Processing Interconnection Requests;
Docket No. ER08-1317-___**

Dear Ms. Bose:

Please find our second quarter report. The California Independent System Operator Corporation (“ISO”) submits the report 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 document is submitted by electronic filing and is entitled “Q2 2010 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 “Bill” DiCapo
Baldassaro “Bill” DiCapo
*Counsel for the California Independent
System Operator Corporation*

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

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

**Q2 2010 QUARTERLY REPORT OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR ON PROGRESS IN PROCESSING INTERCONNECTION
REQUESTS**

Reporting Period: April 1, 2010 to June 30, 2010

Date: July 30, 2010

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Independent System Operator
Corporation

Part One: Introduction

This document is the Second Quarter 2010 (“Q2”) report of California Independent System Operator Corporation (“ISO”). The report describes the ISO’s progress in processing of interconnection requests under the Generator Interconnection Process Reform (GIPR). The GIPR is the ISO’s reformed Large Generator Interconnection Process (LGIP).

The Reporting Requirement and Prior Quarterly Reports

The Commission accepted the GIPR LGIP tariff amendment in its September 26, 2008 order. That order included a requirement for quarterly reporting of the ISO’s progress in processing interconnection requests. The report is intended as a tool to evaluate whether the ISO’s new, reformed process is working as planned.¹

This report covers the Q2 (April 1, 2010 through June 30, 2010 (“referenced as Q2 2010”). This is the ISO’s seventh report. The prior reports are the ISO’s:

Q 1 2010 report (dated April 30 2010)²

Q4 2009 report (dated January 29, 2010)³

Q3 2009 report (dated October 30, 2009)⁴

Q2 2009 report (dated July 30, 2009)⁵

Q1 2009 report (filed April 30, 2009)⁶

Q 4 2008 report (filed Feb 27 2009)⁷

¹ *Order Conditionally Approving Tariff Amendment*, dated September 28, 2008, at P 200 (*California Independent System Operator Corp.* 124 FERC ¶ 61,292) (hereinafter, “September 26 Order”).

² Access ISO webpage at <http://www.aiso.com/2788/2788c4ca34340.pdf>

³ Access ISO webpage at <http://www.aiso.com/272d/272dbd991d4c0.pdf>

⁴ Access ISO webpage at <http://www.aiso.com/2457/2457e6f4470c0.pdf>

⁵ Access ISO webpage at <http://www.aiso.com/2403/2403907271f30.pdf>

⁶ Access ISO webpage at <http://www.aiso.com/23a0/23a0de6d701a0.pdf>

⁷ Access ISO webpage at <http://www.aiso.com/2362/2362d4e612850.pdf>.

Part Two: A Description of the Components of the Interconnection Queue

Requests are now processed in clusters. The heart of the GIPR LGIP reform is a change from a serial process (processing requests sequentially in the order received) to a cluster process (processing requests in clusters received during a request window period).

The queue components. This report breaks down the interconnection queue into the following queue components⁸:

- Two legacy groupings. These are interconnection requests being processed under prior (legacy) interconnection processes;
 - Component 1: certain projects that predated the Serial Study Group. These requests were grouped together because, at the time the ISO made its waiver request, the associated interconnection studies for these projects had already been complete.⁹
 - Component 2: projects known as “the Serial Study Group.” These projects needed to have studies completed at the time of categorization.
- Three cluster groupings under the GIPR LGIP;
 - Component 3: projects in the Transition Cluster: requests received at time of categorization that would transition to the new cluster study process.
 - 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)

As of the date of this report, another cluster window is currently open for the Third Queue Cluster. This window opened on March 1, 2010 and will close on July 31. During Q3, the ISO will review and validate the interconnection requests. The ISO will report how many validated requests were received for the Third Queue Cluster in the next

⁸ 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.

⁹ See discussion of the ISO’s waiver petition in earlier quarterly reports, such as the Q1 2009 Report at p. 1.

quarterly report. That report will refer to the Third Queue Cluster as Component 6 of the Interconnection Queue.

Components 1 and 2 are included so that the report covers the entire queue.

Components 1 and 2 (the legacy components) are not subject to the reporting requirement under the September 26 Order. Nevertheless, the ISO has included them to give fuller context to the ISO's efforts to process its interconnection queue.

Interconnection Requests Being Processed under the Cluster Study Process

Component 3: The Transition Cluster. The Transition Cluster is the first cluster of generation interconnection requests being processed under the GIPR LGIP. The term "Transition Cluster" reflects the fact that the ISO received these requests when the LGIP process was still serial, but, with Commission approval, they were transitioned to cluster study and processing under the GIPR LGIP. This component consists of LGIP interconnection requests:

- (i) that had been made under the ISO's 2005 version of the LGIP,
- (ii) that were still pending as of June 2, 2008, but
- (iii) which the ISO did not assign to the Serial Study Group.¹⁰

The applicable ISO tariff is Appendix Y, *Large Generator Interconnection Procedures (LGIP) for Interconnection Requests in a Queue Cluster Window*, with specialized provisions for the Transition Cluster included within Appendix 2 to Appendix

¹⁰ As the ISO explained in its transmittal letter transmitting its GIPR Amendment request to FERC on July 28, 2008:

The Serial Study Group consists of certain "late stage" Interconnection Requests, which the CAISO will continue to study serially and pursuant to existing timelines. The CAISO elected to define late stage Interconnection Requests as those that either: (1) had met specific advanced milestones in the current LGIP Interconnection Study process, (2) had a power purchase agreement approved, or pending approval, by the CPUC or Local Regulatory Authority, or (3) were next in queue order to interconnect to any transmission project that has received land use approvals from any local, state, or federal entity, as applicable, up to the capacity studied by the CAISO. The CAISO explained that these criteria were logical and consistent with the Commission's guidance in the March 20 Order.

ISO Transmittal Letter to FERC submitted the ISO's GIPR Tariff Initiative, dated July 28, 2008 at p10.n 15. The ISO's Transmittal Letter can be accessed on the ISO's Web site at <http://www.caiso.com/2012/2012c70a7880.pdf>.

Y, Large Generator Interconnection Procedures (LGIP) Relating to the Transition Cluster.

Component 4: The First Queue Cluster. Under the GIPR LGIP, the ISO opens a request window twice a year to receive interconnection requests. After the request window closes, all of the eligible requests constitute a cluster, and these projects are studied and otherwise handled on the same time line. (A graphic that depicts the LGIP stages and timelines is included at the end of this report). The First Queue Cluster consists of the interconnection requests received under the request window that was opened after the GIPR LGIP was approved. This window period opened June 2, 2008 and closed July 31, 2009. The applicable tariff is Appendix Y, *Large Generator Interconnection Procedures (LGIP) for the Interconnection Requests in a Queue Cluster Window*.

Component 5: The Second Queue Cluster. This component consists of interconnection requests received during the Second Queue Cluster window, which opened October 1, 2009 and closed January 31, 2010. Like Component 4, the Second Queue Cluster is processed under Appendix Y.

Interconnection Requests Subject to Legacy (Pre-GIPR) Procedures

Component 1: Projects Predating the Serial Study Group. As stated above, the ISO grouped these requests because, at the time the ISO made its waiver request, these requests had already completed the study phase of the interconnection process. The governing tariff provision for each project depends on the date that the interconnection customer submitted the request. If the date was prior to 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 date was on or after July 1, 2005, the applicable tariff is Appendix U, *Standard Large Generator Interconnection Procedures (LGIP)*, which the ISO’s 2005 version of the LGIP).

Component 2: the Serial Study Group. 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 preceded the 2008 GIPR Amendment.

Part Three: Composition of GIPR Interconnection Requests By Technology

Component 3: The Transition Cluster

The breakdown by technology of interconnection customers in the Transition Cluster is as follows:

Table 1 Transition Cluster Interconnection Customers Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		B	G	NG	S	W
Steam Turbine	19	1	7		11	
Photovoltaic	16				16	
Wind Turbine	8					8
Combined Cycle	6			6		
Combined Cycle/PV	1			0.5	0.5	
Combustion Turbine	2			2		
Total	52	1	7	8.5	27.5	8
B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind						

Component 4: The First Queue Cluster

The breakdown by technology of interconnection customers in the First Queue Cluster is as follows:

Table 2						
First Queue Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		WTR	NU	NG	S	W
Steam Turbine	8		1		7	
Photovoltaic	9				9	
Wind Turbine	2					2
Combined Cycle	1			1		
Wind Turbine/PV	1				0.5	0.5
Combustion Turbine	0			0		
Hydraulic Turbine	1	1				
Total	22	1	1	1	16.5	2.5
WTR=Water; NU=Nuclear; NG=Natural Gas; S=Solar; W=Wind						

Component 5: The Second Queue Cluster

The breakdown by technology of interconnection customers in the Second Queue Cluster is as follows:

Table 3						
Second Queue Cluster Interconnection Customers						
Categorized by Prime Mover Technology						
Prime Mover	Number	Technology				
		G	NG	S	W	WTR
Steam Turbine	1	1				
Photovoltaic	26			26		
Wind Turbine	5				5	
Combined Cycle	3		3			
Combustion Turbine	3		3			
Hydraulic Turbine	1					1
Total	39	1	6	26	5	1
B=Biomass; G=Geothermal; NG=Natural Gas; S=Solar; W=Wind						

Part Four: Progress in Processing the Interconnection Requests

Component 3: The Transition Cluster

Table 4		
Queue Component 3: The Transition Cluster	Q2 2010	Q1 2010
Active Projects as of beginning of Quarter	52	52
Transition Cluster eligible Projects having withdrawn during the Quarter	0	0
Projects added to Transition Cluster during the Quarter	0	0
Active Transition Cluster Projects as of end of Quarter	52	52

There has been no change in the number of projects in the Transition Cluster over Q2. It has remained at has remained at 52 projects.

Phase II interconnection study reports have been completed and all but four have been published (i.e. sent to interconnection customer). The ISO expects to publish the four remaining reports by mid-August, after resolution of several detail points which are currently being discussed with the Participating TO.

The July 2010 publication timeframe is approximately three months head of the timeline that the GIPR LGIP set for the Transition Cluster. Under the schedule, these studies were set for completion in the October 2010.

Component 4: The First Queue Cluster

Table 5		
Queue Component 4: Requests Within the First Queue Cluster under GIPR LGIP	Q2 2010	Q1 2010
Interconnection Requests received	23	23
Number of Interconnection Requests that withdrew during the Quarter	1	0
Total Interconnection Requests	22	23

There was no change over Q2 in the number of projects in the First Queue Cluster, which has remained at 23. Under the scheduled time frames for this cluster, the ISO and Participating TOs were to have completed the Phase I Studies by April 2010. When the ISO realized that acceleration efforts for the transition cluster would impact the ability of the ISOs and PTOs to complete the Phase I study reports by April, the ISO

contacted interconnection customers in the queue to notify them of them of the probable delay; after some due diligence on the matter, the ISO was able determine, and to provide assurance to these interconnection customers, that delay in publication of the Phase I reports would not have a cascading effect delaying completion of the Phase II study reports. (Phase II studies for Cluster 1 are scheduled to be performed together with Cluster 2 during the period January 1 to November 30 of 2011.) All Phase I reports have been delivered to the interconnection customers and the majority of the results meeting have taken place. The remaining results meetings are scheduled for August 6, 2010.

Component 5: The Second Queue Cluster

Table 6 Queue Component 4: Requests Within the Second Queue Cluster under GIPR LGIP	Q2 2010	Q1 2010
Interconnection Requests received	44	44
Number of Interconnection Requests that withdrew during the Quarter	5	0
Total Interconnection Requests	39	44

In the last report (Q1) the ISO inadvertently reported the number of active projects in Second Queue Cluster projects as 45; rechecking its queue information, the ISO now realizes that it made a counting error and the correct number of projects was 44. Over Q2, five projects withdrew from the cluster, reducing the number of projects from 44 to 39.

The ISO's processing schedule calls for Phase I studies to be conducted over the period May 1 through September 30 2020. At the present time, the ISO does not see any problem on the horizon that would lead it to believe that the studies will not be completed by September 30.

Component 2: The Serial Study Group

Table 7		
Queue Component 2: The Serial Study Group	Q2 2010	Q1 2010
Number of projects which have completed interconnection process	3	2
Number of projects to be completed	66	68
Number of projects that have withdrawn from Serial Study Group	8	7
Total Number of projects in Category 2	77	77
<u>Breakdown by milestone</u>		
<u>Study Work</u>		
Projects for which studies are completed	55	50
Projects for which Facilities Study is in progress	10	17
Projects for which Systems Impact Study is in progress	1	1
Projects for which Feasibility Study is in progress ¹	0	0
Projects completed or withdrawn	11	9
Total Number of projects in Category 2	77	77
<u>Interconnection Agreements</u>		
Projects with completed studies for which LGIA not completed	34	29
Projects for which studies completed and LGIAs signed but which have not yet come online ²	21	21
Projects with signed LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD).	3	2
Projects for which studies have not been completed	11	18
Projects that have withdrawn	8	7
Total Number of projects in Category 2	77	77
¹ Feasibility studies either not applicable completed, or waived.		
² One LGIA is being circulated for signatures in Q1 2010, but yet to be fully executed.		

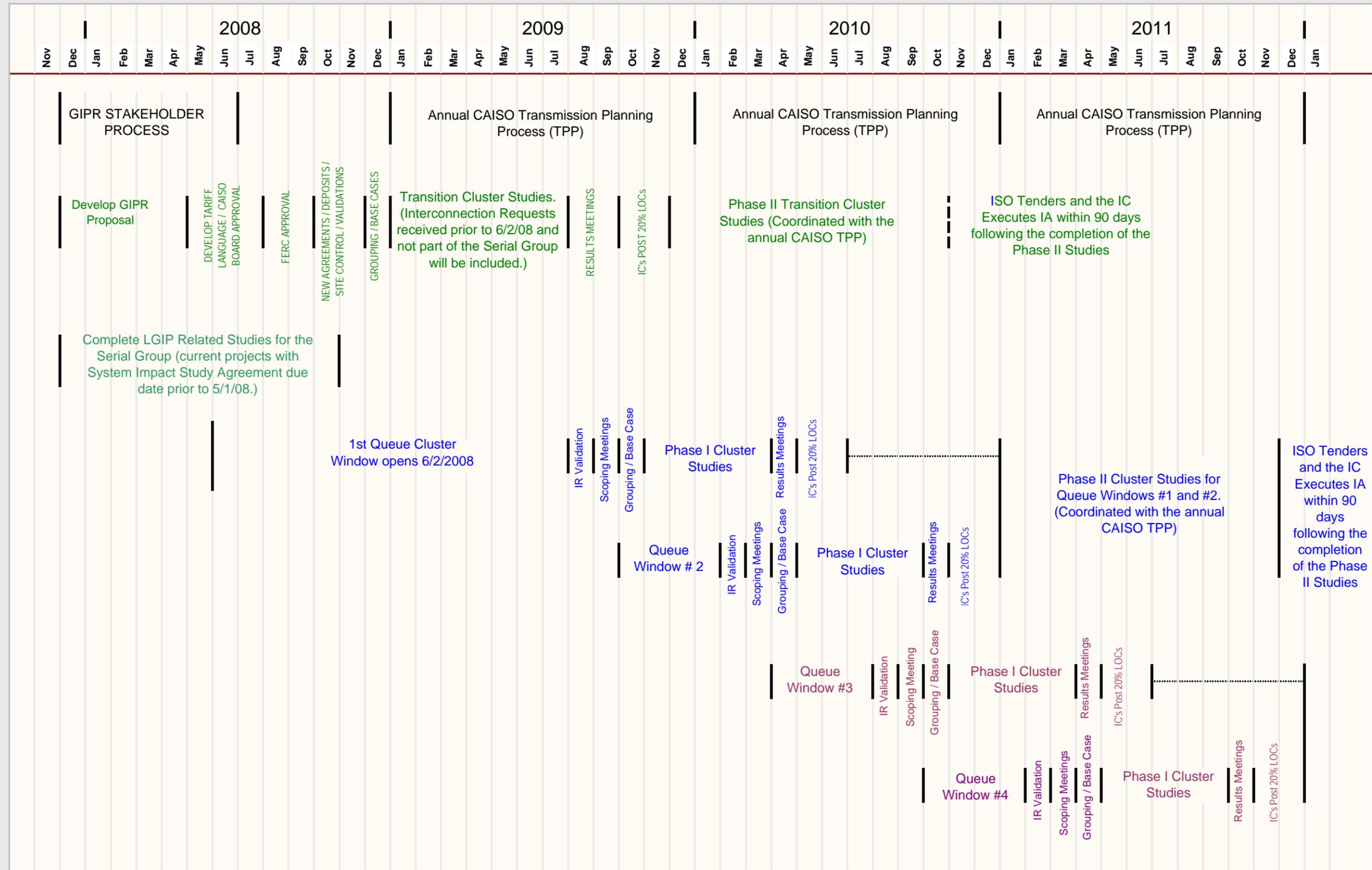
Seventy-seven projects make up the Serial Study Group. The number of tracked projects has increased by one since the Q1 report, because the ISO discovered that a serial project that had withdrawn in January 2009 had inadvertently been left off the serial project list. During Q2, one project completed the interconnection process and one project withdrew from the process. (The withdrawn project had progressed to the point of having a completed the System Impact Study and its Facilities Study was in progress.) Five additional projects completed the study phase and entered the LGIA phase. One additional project reached commercial operational status during Q2.

Component 1: Projects Covered by Amendment 39 or the 2005 LGIP

Table 8		
Component 1 Projects	Q2 2010	Q1 2010
Number of projects which have completed interconnection process	37	37
Number of projects which have not completed interconnection process	1	1
Number of withdrawn requests	5	5
Number of projects in this category	43	43
<u>Breakdown of the status of projects in this Category</u>		
Projects with completed studies for which LGIA not completed	1	1
Projects for which studies and LGIAs signed but which have not yet come online	16	18
Projects with signed LGIAs, which have completed Interconnection process and are now online and with declared Commercial Operation Date (COD).	21	19
Projects completed or withdrawn	5	5
Number of projects in this category	43	43

This grouping consists of 43 projects. The remaining item to close out this queue component is a single project for which the LGIA must be completed.

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 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 July, 2010 at Folsom, California.

Asl Anna Pascuzzo

Anna Pascuzzo