

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

California Independent System Operator Corp.)

Docket No. ER11-1830-000

**MOTION TO INTERVENE AND COMMENTS OF
CALIFORNIA WIND ENERGY ASSOCIATION**

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214 (2010), the California Wind Energy Association (“CalWEA”) respectfully requests leave to intervene and comments on the California Independent System Operator Corp.’s (“CAISO”) proposed tariff revisions to revise its generator interconnection procedures filed with the Commission in the above-captioned proceeding.

I. PERSONS TO BE SERVED

In addition to the undersigned counsel for CalWEA, persons who should receive communications in connection with these comments include the following:

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II. BACKGROUND

On October 19, 2010, the CAISO filed its Generator Interconnection Procedures (“GIP”) as proposed amendments to its Open Access Transmission Tariff (“OATT”) in order to harmonize its large and small generation interconnection procedures. Most of the proposed tariff amendments arose through the CAISO’s detailed discussions with stakeholders to address

significant delays and backlogs in the CAISO's small generator interconnection process. Since 2008, the CAISO has experienced a rapid increase in the number of small generator interconnection requests, making it impossible for it to study efficiently small projects under the current small generator interconnection procedures ("SGIP"). The CAISO expects that the number of requests to interconnect small projects, namely renewable energy projects, will continue to increase in order to bring to fruition California's ambitious Renewable Portfolio Standards ("RPS") requirements by 2020.

The primary feature of the GIP is the adoption of an integrated cluster study process for both small and large generators. Under the integrated approach, small and large generators will submit interconnection requests into annual queue clusters, and projects will be studied together to the extent that they are electrically related. The GIP will also reduce the cluster study processing timelines from those currently set forth in the current large generator interconnection procedures ("LGIP"), resulting in an overall study timeline that is only minimally longer than the best-case SGIP timeline. Additionally, the GIP includes study deposits based on project size that will generally be less for small projects than the average study costs under the SGIP, as well as lower financial security deposit requirements. The GIP also gives small generators the ability to obtain Full-Capacity deliverability of the generators' output, and includes tariff provisions to facilitate the transition of current SGIP requests to the new GIP process.

The GIP will further provide for two alternative study processes: an independent study process ("ISP") and a fast track process. These alternative processes will allow for an independent and streamlined interconnection process for smaller projects, as well as projects of any size that are electrically independent from other generators in the CAISO's interconnection

queue and are in a position to be studied and developed faster than the cluster study process would allow.

These proposed tariff amendments are intended to achieve two primary objectives: 1) expedite the interconnection of small generators to the CAISO-controlled grid; and 2) eliminate the timing conflicts between the SGIP's serial study process and the LGIP's cluster study process. The CAISO notes that, of the 160 active requests to interconnect small generators to the CAISO-controlled grid, only one is for a non-renewable project. Even assuming a best-case scenario, the CAISO estimates that it would take six to eight years to complete the studies for all of the small projects pending in the SGIP queue. By applying the same cluster study process for both small and large generators, the CAISO anticipates that the GIP will expedite the interconnection of renewable projects, many of which will significantly assist in the effort to meet California's ambitious RPS goals.

The CAISO requests that the Commission accept the GIP to become effective on December 19, 2010.

III. MOTION TO INTERVENE

CalWEA is a non-profit corporation supported by over 25 members of the wind energy industry, including project developers actively involved in developing renewable projects to help meet California's RPS program, existing project owners, turbine manufacturers, component manufacturers, support contractors, and others. CalWEA's project developer members are involved in the development of renewable projects as small as 2 MW and as large as 1500 MW, in California and in neighboring states. CalWEA encourages and supports the production of electricity through the use of wind generators, and actively represents the interests of its members in various proceedings before regulatory agencies and the CAISO.

The business interests of CalWEA's members are significantly affected by regulatory policies such as the cost of, and access to, the CAISO's transmission facilities, and the requirements for interconnecting new generating facilities to the CAISO grid. The CAISO's tariff filing in this proceeding may impact the current and future ability of CalWEA's members to interconnect to the CAISO grid in a timely, cost-effective, and unduly burdensome manner, and thus, CalWEA and its members may be directly affected by the outcome of this proceeding. The interests of CalWEA and its members are unique and will not be adequately represented by any other party. Accordingly, granting CalWEA's timely motion to intervene in this proceeding is in the public interest.

IV. COMMENTS

CalWEA strongly supports the CAISO's GIP filing and especially appreciates the effective stakeholder process that the CAISO conducted to address reforms to its small generator interconnection process. Specifically, CalWEA supports the application of an integrated cluster study process for both small and large generators because it will facilitate the integration of smaller projects, including smaller renewable projects, into the CASIO-controlled grid in an efficient manner. The GIP will also allow developers of renewable projects to interconnect to the grid in a more efficient and cost-effective manner by reducing the overall cluster study processing timelines, and by mitigating some of the financial posting requirements.

The relaxed financial posting requirements, in particular, reduces a major impediment to the development of renewable projects, and CalWEA strongly supports the CAISO's efforts to alleviate this financial burden. CalWEA further supports the new deliverability assessment options that will allow small projects currently in the SGIP queue, as

well as existing Energy-Only projects that are already interconnected or under development, a path to obtain Full-Capacity deliverability status for their facilities.

CalWEA appreciates that the GIP proposal takes into account many of its stakeholder comments. However, CalWEA did not see all of its positions adopted in the filing and includes, in Attachment A, a list of recommended modifications to the GIP tariff amendments reflecting such positions. Because CalWEA believes that the GIP proposal is a significant improvement over the current process, CalWEA does not suggest large, substantive changes here. Rather, CalWEA believes that the minor clarifications and changes listed in Attachment A will improve the GIP proposal. Accordingly, CalWEA respectfully requests that the Commission direct the CAISO to make the changes included in Attachment A, and to include the changes in a subsequent compliance filing.

CalWEA understands that the CAISO intends to continue working with stakeholders to refine further the GIP to ensure that the new process will be fair and workable for all projects. We look forward to working with the CAISO and other stakeholders to finalize the GIP in three major areas. In particular, CalWEA believes that the LGIP Phase I and Phase II technical study processes that identify and allocate the costs for network upgrades needed to interconnect new projects to the grid generally produce inaccurate and excessively large cost assessments. CalWEA is concerned that developers may abandon viable renewable projects if they cannot, or are unwilling, to bear the considerable risks and costs associated with interconnecting new projects based on the results of these studies. CalWEA stands ready to work with the CAISO to revise the GIP study processes so that they provide more accurate price signals to generators seeking to interconnect their projects in an efficient and economic manner.

Also, while we support the notion of the ISP and many of its protocols in the GIP, we believe that the process for determining electrical independence is still subjective and, by and large, arbitrary. In order to be considered electrically independent of other requests, an interconnection request submitted under the ISP must pass a flow impact test and a short circuit test. The flow impact test, however, fails to define specific criteria for determining electrical independence, and the short circuit test is unnecessary because any overlap in network upgrades that would be identified by this test would be trivial. The Commission should direct the CAISO to remove the electrical independence criteria from the ISP, and direct it to work with stakeholders to develop more objective criteria.

Finally, the CAISO states that a goal of the GIP is to establish a more efficient interconnection process, and to provide small generators earlier cost certainty. We agree that this objective would be achieved by the proposed integration of the SGIP and LGIP.

However, these objectives can be better achieved by also harmonizing the Phase II GIP study process with the Revised Transmission Planning Process (“RTPP”), particularly with respect to cost responsibility for transmission upgrades and the schedule for executing generator interconnection agreements. Such harmony is particularly appropriate given the RTPP objective to identify the optimal transmission plan to meet all transmission needs of the CAISO ratepayers who eventually pay for all network upgrades. The RTPP schedule should be tightly coordinated with the GIP schedule so that all GIP-related transmission upgrades are identified as part of a single, Order No. 890-compliant, planning process. Furthermore, all upgrades identified through the RTPP should either be upfront financed by the relevant participating transmission owner (“PTO”), or, if the PTO is not willing to provide upfront financing, by an independent transmission company that would become a CAISO PTO.

V. CONCLUSION

WHEREFORE, for the foregoing reasons, (1) CalWEA respectfully moves for leave to intervene as a full party to this proceeding, and (2) comments on the CAISO's filing as discussed above.

Respectfully submitted,

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ATTACHMENT A

CAISO GIP REFORM FILING Recommended Modifications

Section 3 – Interconnection Requests

Section 3.5.1.5 – Proposed Commercial Operation Date

- **Current language**

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period.

- **Recommended changes:** Given the 8-year estimates for some LGIP Transition Cluster transmission upgrades, it's clear that an Interconnection Request (IR) could have a commercial operation date (COD) more than 7 years out (*e.g.*, if it will be located in an area with such long-duration upgrades), for reasons other than the time needed to construct the generating plant. The Commission should direct the CAISO to revise this language to recognize those situations, *e.g.*, by allowing the COD to be the later of 7 years from IR submission or 3 years after expected Network Upgrade completion in the area where the plant will be located.

Section 4.2.2 – Short Circuit Test

- **Proposed language**

If the short circuit contribution from the Generating Facility (existing or proposed) being tested at the transmission facility identified in GIP Section 4.2.1(i) is less than 100 amperes, the Generating Facility shall pass the short circuit test.

- **Recommended changes**

- The short circuit test is unnecessary because any upgrade overlap as a result of this test will likely be trivial. The Commission should direct the CAISO to remove it.
- If the test is retained, it should be modified to recognize short-circuit software limits. For example, SCE has indicated that its short-circuit software only has a resolution of 100 amps; thus, assuming normal rounding, it cannot distinguish between 51-amp and 100-amp contributions. If so, the criteria requires more precision than the modeling tool can support, and the Commission should direct the CAISO to change the threshold to 150 amps.

Section 6 – Interconnection Study Process for Queue Clusters

Section 6.2 – Scoping Meeting

- **Proposed language**

The CAISO shall prepare minutes from the meeting, and provide the Interconnection Customer and the other attendees and opportunity to confirm the accuracy thereof, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.

- **Recommended changes:** The proposed revisions to the current LGIP language would change the meaning of this provision from requiring concurrence by the Interconnection Customer (IC) to simply giving the IC the opportunity to comment. At the very least, the final minutes should reflect any disagreements by the IC with the CAISO’s account of the meeting. Moreover, the CAISO should be bound to distribute the minutes within a reasonable timeframe, such as 3 business days. The CAISO indicated in the tariff-language conference call that it did not intend to change the meaning of the provision, but this additional clarification was not made in the Filing.

Section 8 – Additional Delivery Assessment Options

Section 8.3 (No section name given)

- **Proposed language**

To the extent that a Participating TO’s tariff provides the option for customers taking interconnection service under the Participating TO’s tariff to obtain Full Capacity Deliverability Status, the ISO will, in coordination with the applicable Participating TO, perform the necessary deliverability studies to determine the deliverability of customers electing such option. The CAISO shall execute any necessary agreements for reimbursement of study costs it incurs and to assure cost attribution for any Network Upgrades relating to any deliverability status conferred to such customers under the Participating TO’s tariff.

- **Recommended changes:** The CAISO added this provision to address situations where distribution-level projects – either those already operating or those seeking interconnection in the future – might seek the Full Capacity interconnection status on the CAISO system that would allow them to be counted toward meeting Resource Adequacy Requirements (“RARs”). We believe that this will be a significant benefit to those projects, and also to the RA program in general. However, the proposed language:
 - **Excludes distribution-level generating projects not in a PTO’s service area, e.g.,** those in the service area of a municipal utility that is not also a PTO; and
 - **Provides no certainty to developers of such projects** about the process by which they would be studied for Full Capacity status.

Instead, the CAISO language should be modified to read as follows:

An Interconnection Customer seeking interconnection to a Distribution System connected to the CAISO Controlled Grid, where the Participating TO's tariff or other applicable interconnection rules do not preclude Full Capacity Deliverability Status on the CAISO Controlled Grid, may elect a one-time option to be studied for Full Capacity Deliverability Status by entering a Cluster Application Window prior to, or immediately after, execution of the agreements necessary for interconnection to the Distribution System.

These changes would provide ICs interconnecting to any CAISO-area distribution system the same one-time election for Full Capacity status as ICs connecting to the CAISO grid, as long as the rules of the distribution utility do not prohibit such status, and under the then-existing regular CAISO interconnection-study process and timeline. The Commission should direct the CAISO to make these changes in its compliance filing in this proceeding.

Section 8.2.4.3

- **Proposed language**

If the assessment of available transmission capability conducted under this GIP Section 8.2.4 indicates that there is some transmission capacity available for use by the Interconnection Customer, but less than is necessary to deliver the full output of the Interconnection Customer's Generating Facility, then the Interconnection Customer's Generating Facility will be considered to be partially deliverable, and the amount of transmission capability made available to that Interconnection Customer's Generating Facility will be equal to the determination of available capacity for the Generating Facility rounded down to the nearest 50 MW increment.

- **Recommended changes:** The CAISO, in Section 4.4.2.(5) of its Draft Final Proposal, stated that conceptual transmission congestion mitigation plans would be identified for generation assessed in the annual deliverability study that were denied Full Capacity, and would be considered in the CAISO comprehensive transmission planning process. The CAISO said in the tariff-language conference call that it would consider adding this provision, but it was not included in the Filing. The Commission should direct the CAISO to include this provision in a compliance filing to ensure that IC desires for Full Capacity status, as well as those of their buyers, are considered in the planning process.

Section 9 – Interconnection Financial Security

Section 9.2

- **Proposed language:** The proposed language accurately reflects the \$15 million cap on the second interconnection financial-security posting.
- **Recommended changes:** This proposal is intended to apply to all second security postings, including those due from the Transition Cluster in early 2011. The CAISO confirmed this interpretation during the stakeholder process and said that it would make this intent clear in the transmittal letter of the Filing to the Commission.

However, although the cap is mentioned on p. 30 of the transmittal letter and on pp. 30-31 of the Prepared Testimony of Stephen Rutty, neither text explicitly references the LGIP Transition Cluster. The Commission should clarify in its order in this proceeding that this provision would apply to the LGIP Transition Cluster.

GIP Appendix 1 – Interconnection Request – Attachment A

The technical data requested should be modified as follows:

- **Section 11a (Collector System Equivalenced Impedance Data):** The data request is inconsistent – it asks for equivalenced data but refers to the data for each collector circuit. Instead, the equivalenced data should be submitted as per the draft “WECC Guide for Representation of Photovoltaic Systems In Large-Scale Load Flow Simulations” or its wind counterpart (WECC Wind Power Plant Power Flow Modeling Guidelines” dated May 2008). These documents include a data form to be completed by the IC for the equivalenced model.
- **Section 12:** The requirement should allow the IC to provide the electrical data to populate the PSLF models because all generators do not have access to the PSLF software and cannot provide the data in the *.epc format.

GIP Appendix 4 – Agreement for Allocating GIP and Study Responsibilities Attachment A – Interconnection Study Responsibility Allocation

- **Queue cluster study timeline:** This timeline inappropriately allows for consideration of modifications to LGIP-identified upgrades in the annual CAISO transmission-planning process. This provision reflects the CAISO’s “Revised Transmission Planning Process” proposal filed in DocketER10-1401; however, FERC has accepted but suspended that filing, so this provision should be deleted from the Filing. It can be added later if and when FERC accepts that element of the RTPP.
- **Other study timelines:** The timelines for the Independent Study Process and Fast-Track Process should also be included in this Appendix (or separate Appendices).

GIP Appendix 8 – Additional Delivery Assessment Options

Section 4.3

- **Proposed language**

An Interconnection Customer in the SGIP Transition Cluster must post, within thirty (30) calendar days of the effective date of this Appendix 8, all of the following: (i) a Study Deposit equal to the amount set forth in Section 3.5.1 of Appendix Y, if it has not done so already; and (ii) a Demonstration of Site Exclusivity, if it has not done so already. An Interconnection Customer that does not satisfy these posting requirements will be withdrawn from the SGIP Transition Cluster. Interconnection Customers who withdraw from the SGIP Transition Cluster will be refunded the entire amount of their Study Deposit upon withdrawal, less any amounts that the CAISO, Participating TO(s), and third parties have incurred in performing studies on the Interconnection Customer’s behalf.

- **Recommended changes**

- **Site Exclusivity:** Requirement (ii) makes no sense here, because SGIP projects had to demonstrate Site Control (a stronger demonstration than “Site Exclusivity”) in order to have had a valid SGIP IR.

Moreover, even if they did not meet this requirement for some reason, they should be allowed to post an “in-lieu” deposit instead, consistent with the proposed new process. The CAISO indicated on the tariff-language conference call that it intends to give these projects the same Site Exclusivity options as LGIP projects, but that change was not included in the Filing. The Commission should direct the CAISO to add this provision.

- **Refund provisions:** These provisions should exclude “third parties.” Costs for any third parties under CAISO or PTO contract would count under CAISO-/PTO-incurred expenses, and implying that there could somehow be some separate costs aside from this type of subcontract arrangement will only add confusion.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by electronic mail or U.S. mail upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Washington, D.C. this 9th day of November, 2010.

/s/ Chimera N. Bowen

Chimera N. Bowen