

147 FERC ¶ 61,093  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 5, 2014

In Reply Refer To:  
San Diego Gas & Electric  
Company  
Docket No. ER14-1455-000

San Diego Gas & Electric Company  
101 Ash Street, HQ12  
San Diego, CA 92101

Attention: James F. Walsh  
Attorney for San Diego Gas & Electric Company

Reference: Amendment to Wholesale Distribution Open Access Tariff

Dear Mr. Walsh:

1. On March 7, 2014, San Diego Gas & Electric Company (SDG&E) filed proposed revisions to its Wholesale Distribution Open Access Tariff (WDAT) to combine its small generator interconnection procedures (SGIP)<sup>1</sup> and large generator interconnection procedures (LGIP)<sup>2</sup> into a new set of generator interconnection procedures (GIP). In this order, we conditionally accept the proposed tariff revisions and direct SDG&E to submit a compliance filing within 30 days of the issuance of this order.

2. In this filing, SDG&E seeks to align its WDAT with CAISO's Generator Interconnection and Deliverability Allocation Procedures tariff amendment<sup>3</sup> and to harmonize its distribution interconnection procedures with the interconnection procedures approved by the Commission for CAISO, as well as those approved for PG&E and SoCal

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<sup>1</sup> SDG&E's WDAT SGIP was initially accepted by the Commission in 2005. *See San Diego Gas & Electric Co.*, 113 FERC ¶ 61,027 (2005).

<sup>2</sup> SDG&E's WDAT LGIP was initially accepted by the Commission by delegated letter order issued in Docket No. ER10-5-000 on November 19, 2009.

<sup>3</sup> *See Cal. Indep. Sys. Operator Corp.*, 140 FERC ¶ 61,070 (2012).

Edison. SDG&E explains that under the serial study process found in its WDAT, which is currently used to evaluate small generator interconnection requests, each project is studied one at a time, and a study for one project cannot commence until the previously-studied, electrically-related projects are completed. According to SDG&E, project withdrawals further complicate the study process as transmission upgrades assumed for a particular project may not be installed if the project is withdrawn, which can lead to higher costs for the subsequently studied projects and a cascading effect of further withdrawals and restudies. SDG&E states that it does not currently have a backlog of interconnection requests for small generators and therefore continues to process such requests within the relevant timeframes. However, due to existing and anticipated State distributed generation programs, SDG&E expects a growing number of interconnection requests through its WDAT GIP services.<sup>4</sup>

3. Accordingly, SDG&E proposes revisions to its WDAT to create a set of comparable rules for processing small and large generator interconnection requests, similar to the processes approved by the Commission under PG&E's and SoCal Edison's distribution tariffs.<sup>5</sup> SDG&E states that the GIP will allow electrically interdependent generators, regardless of whether their interconnection agreement is subject to treatment under CAISO's tariff, SDG&E's WDAT or the state-jurisdictional process known as Rule 21, to be studied together in a unified manner within a single cluster study.<sup>6</sup> SDG&E states that the study processes for interconnection requests to SDG&E's distribution system and SDG&E's CAISO-controlled transmission system must be coordinated in order to achieve the greatest level of efficiency in interconnections to both systems.<sup>7</sup> SDG&E proposes to mirror CAISO's Generator Interconnection and Deliverability Allocation Procedures<sup>8</sup> to ensure that the two processes provide equal and consistent terms for open access to SDG&E's transmission and distribution systems. SDG&E states that the proposed revisions will not affect existing queue positions since SDG&E agrees to complete work on any interconnection study agreement executed prior

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<sup>4</sup> SDG&E Filing at 8-9.

<sup>5</sup> *Id* at 1. See *Southern California Edison Company*, 135 FERC ¶ 61,093 (2011); *Pacific Gas and Electric Company*, 135 FERC ¶ 61,094 (2011).

<sup>6</sup> *Id* at 2.

<sup>7</sup> *Id* at 10.

<sup>8</sup> *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223 (2010); *Cal. Indep. Sys. Operator Corp.*, 138 FERC ¶ 61,060 (2012).

to the effective date of the GIP amendment in accordance with the terms and conditions of that interconnection study agreement.<sup>9</sup>

4. The proposal differs from those approved for SoCal Edison and PG&E in one significant respect – the addition of a second cluster window. Specifically, SDG&E proposes to conduct one window from October 15 to November 15 and another window from April 1 to April 30. The October 15 to November 15 window will allow interconnection customers not requiring consideration by CAISO to move forward through the SDG&E distribution cluster study.<sup>10</sup> The April 1 to April 30 window corresponds with CAISO’s queue cluster window so that SDG&E can study its distribution system interconnection requests concurrently with CAISO’s transmission interconnection requests.

5. SDG&E asserts that its proposal to align its GIP amendment with CAISO’s Generator Interconnection and Deliverability Allocation Procedures is consistent with or superior to the *pro forma* LGIP in Order No. 2003<sup>11</sup> and the *pro forma* SGIP in Order No. 2006.<sup>12</sup> SDG&E states that using a clustering approach, SDG&E can better allocate its interconnection resources and provide generators with greater certainty regarding milestones and cost responsibility. SDG&E further contends that its proposal to implement more stringent application requirements for interconnection requests through higher deposits and a demonstration of site exclusivity will ensure that only commercially viable generators will request interconnection and that technical information will be available in a timely manner through its website so as to not delay the processing of interconnection requests. In addition, SDG&E asserts that its proposal to limit the cost of network upgrades to the cost estimate provided at the end of the Phase I Interconnection

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<sup>9</sup> SDG&E Filing at 18.

<sup>10</sup> SDG&E Filing at 14-15.

<sup>11</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh’g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh’g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh’g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

<sup>12</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh’g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

Study will provide interconnection customers with cost certainty as SDG&E agrees to pay any extra amount needed to complete network upgrades if other projects withdraw.<sup>13</sup>

6. Notice of SDG&E's filing was published in the *Federal Register*, 79 Fed. Reg. 14,700 (2014), with interventions and protests due on or before March 28, 2014. CAISO submitted a timely motion to intervene and comments. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motion of CAISO to intervene serves to make it a party to this proceeding.

7. CAISO states that it supports SDG&E's proposal to amend its WDAT. According to CAISO, aligning the timing of queue cluster windows and study cycles allows customers interconnecting pursuant to SDG&E's WDAT and seeking deliverability on the CAISO-controlled grid to undertake parallel and interrelated activities.<sup>14</sup> However, CAISO proposes a few modifications to the proposed WDAT to better ensure the harmonization of SDG&E's and CAISO's procedures. First, CAISO notes that SDG&E's references to Appendix Y of the CAISO tariff are outdated and should either be replaced with generic references to CAISO's interconnection procedures or with citations to Appendix DD, which is the appendix by which projects entering the CAISO queue are now studied.<sup>15</sup> Second, CAISO notes that the reference to "Reliability Network Upgrades" in Attachment H, Section 4.5.4.2.1 of SDG&E's proposed WDAT should be removed as the On-Peak Deliverability Assessment CAISO conducts only identifies Delivery Network Upgrades, not Reliability Network Upgrades.<sup>16</sup> Third, CAISO requests that a reference be added to the SDG&E WDAT to include the metering requirements set forth in the CAISO tariff.<sup>17</sup>

8. On April 9, 2014, SDG&E filed a motion for leave to file an answer and an answer to CAISO's comments. SDG&E's answer concurs with CAISO's proposed modifications and states that SDG&E will make CAISO's proposed revisions in a compliance filing.<sup>18</sup> We will accept SDG&E's answer because it provides information that assisted us in our decision-making process.

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<sup>13</sup> SDG&E Filing at 12-13.

<sup>14</sup> CAISO March 28, 2014 Comments at 2.

<sup>15</sup> *Id.* at 2-3 and n.1.

<sup>16</sup> *Id.* at 3-4.

<sup>17</sup> *Id.* at 4.

<sup>18</sup> SDG&E April 9, 2014 Answer at 1-2.

9. We find that SDG&E's revised GIP, as modified in the compliance filing directed below, satisfies the "consistent with or superior to" standard required for modifications to the *pro forma* interconnection procedures and strikes an appropriate balance between preserving the interests of small and large generator interconnection customers, while ensuring that other viable options are available to process interconnection requests as quickly as possible.<sup>19</sup> Consistent with our findings for SoCal Edison and PG&E, we find that coordinating the cluster study processes for interconnection requests to SDG&E's distribution system and the CAISO-controlled transmission system will achieve greater efficiency and effectively manage network impacts on both systems. By grouping electrically-related projects into study clusters, instead of studying each project serially, SDG&E will greatly reduce the aggregate amount of time necessary to evaluate each interconnection request. We agree with SDG&E that the combined cluster study approach eliminates the need for frequent re-study and preempts any backlog of small generator interconnection requests, improving overall efficiency of SDG&E's GIP. Therefore, we conditionally accept the proposed tariff revisions and direct SDG&E to incorporate the modifications proposed by CAISO to correct any inaccurate references to Appendix Y and within Attachment H, Section 4.5.4.2.1 of the WDAT, and to include within the WDAT a reference to the metering requirements set forth in the CAISO tariff in a compliance filing to be submitted within 30 days of the date of this order.

By direction of the Commission

Kimberly D. Bose,  
Secretary.

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<sup>19</sup> We also note that SDG&E must submit a subsequent compliance filing to revise its *pro forma* GIP and the *pro forma* Small Generator Interconnection Agreement in response to the reforms in Order No. 792. See *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 78 Fed. Reg. 73,239 (Dec. 5, 2013), 145 FERC ¶ 61,159 (2013), *order on clarification*, Order No. 792-A, 146 FERC ¶ 61,214 (2014).