

156 FERC ¶ 61,237  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Cheryl A. LaFleur, and Colette D. Honorable.

Southern California Edison Company

Docket Nos. ER16-2306-000  
ER16-2306-001

ORDER ON REVISIONS TO GENERATOR INTERCONNECTION PROCEDURES

(Issued September 30, 2016)

1. On July 28, 2016, as supplemented on August 2, 2016, Southern California Edison Company (SoCal Edison) submitted revisions to the Generator Interconnection Procedures (GIP) included in its Wholesale Distribution Access Tariff (WDAT), proposing to provide greater clarity and closer alignment with the California Independent System Operator Corporation (CAISO) Tariff, and reduced administrative burden. In this order, we accept SoCal Edison's proposed revisions, effective July 29, 2016, as requested.

**I. Background**

2. Prior to 2011, SoCal Edison's WDAT included several different sets of procedures to interconnect generating facilities to its distribution system. Large generator interconnection requests were studied utilizing a bi-annual cluster process (CLGIP) and small generator interconnection requests were studied serially (one by one sequentially) throughout the year and processed apart from the CLGIP.<sup>1</sup> In 2011, the Commission accepted SoCal Edison's proposal to consolidate its small generator interconnection procedures (SGIP) and large generator interconnection procedures (LGIP) into a single set of interconnection procedures.<sup>2</sup> SoCal Edison's GIP includes four separate tracks for interconnecting a generating facility; a cluster study process for both large and small

---

<sup>1</sup> See *South. Cal. Edison Co.*, 135 FERC ¶ 61,093, at P 3 (2011) (SoCal Edison 2011GIP Order). See also SoCal Edison March 1, 2011 Filing, Docket No. ER11-2977-000, at 9 (Mar. 1, 2011).

<sup>2</sup> SoCal Edison 2011GIP Order, 135 FERC ¶ 61,093.

generators,<sup>3</sup> an independent study process,<sup>4</sup> a fast track process, and the under 10 kW inverter-based generation process.<sup>5</sup> SoCal Edison's GIP appendices include *pro forma* study process agreements and generator interconnection agreements to process interconnection requests for each of the four tracks.

## II. Overview of Revisions

3. SoCal Edison explains that from 2013 through 2015, CAISO has identified and implemented improvements in its interconnection processes that enable more efficient administration of its generator interconnection queue. SoCal Edison proposes to align pertinent provisions of the WDAT GIP with the Commission-approved CAISO generator interconnection procedures. In addition, SoCal Edison proposes certain administrative revisions, including correction of typographical errors, removal of obsolete provisions or to clarify terms and update references.<sup>6</sup>

4. Specifically, SoCal Edison proposes to: (1) provide additional flexibility for an interconnection customer to expand the scope of project modifications between Phase I and Phase II interconnection studies, (2) provide additional flexibility for SoCal Edison to declare that negotiations of the generator interconnection agreement (GIA) are at an impasse, (3) ensure that an interconnection customer maintains a viable project in-service date and commercial operation date so as not to impede the process of other interconnection customers in the queue, (4) clarify financial security posting and network upgrade repayment requirements, and (5) update GIA insurance requirements to be consistent with current industry standards.

5. SoCal Edison requests that the Commission accept the revised WDAT GIP, effective July 29, 2016, the day after the date of filing, further stating that it is important that the tariff revisions become effective as soon as possible, and in any case before

---

<sup>3</sup> See WDAT Attachment I, GIP section 4, Cluster Study Process.

<sup>4</sup> See GIP section 5, Independent Study Process.

<sup>5</sup> See GIP sections 6 and 7, the Fast Track and Under 10 kW Inverter Processes, respectively. In its filing to comply with Order No. 792, SoCal Edison stated that its SGIP is now largely obsolete because it is no longer utilized for new interconnection customers, and is operational solely for projects that were initiated prior to Commission acceptance of SoCal Edison's GIP in 2011. See *Southern Cal. Edison Co.*, 149 FERC ¶ 61,026, at P 5 n.18 (2014).

<sup>6</sup> See *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,231 (2014) (December 2014 Order); *Cal. Indep. Sys. Operator Corp.*, 153 FERC ¶ 61,242 (2015); *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,169 (2016) (March 2016 Order).

January 17, 2017, as that is the date the Phase I interconnection studies for Queue Cluster 9 are expected to be published. SoCal Edison asserts that it is important to provide interconnection customers in Queue Cluster 9 the ability to benefit from the proposed revisions, as applicable to the post-Phase I period, on a going forward basis.

### **III. Notice of Filing and Responsive Pleadings**

6. Notice of the instant filing was published in the Federal Register, 81 Fed. Reg. 52,845 (2016), with interventions and protests due on or before August 23, 2016. Pacific Gas and Electric Company filed a timely motion to intervene. San Diego Gas & Electric Company (SDG&E) filed a motion to intervene out-of-time.

### **IV. Discussion**

#### **A. Procedural Matters**

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2016), a timely, unopposed motion to intervene serves to make the entity that filed it party to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2016), the Commission will grant the untimely, unopposed motion to intervene filed by SDG&E given its interest in the proceeding, the early stage of this proceeding, and the absence of undue prejudice or delay.

#### **B. Substantive Matters**

##### **1. Standard of Review**

8. Under Order Nos. 2003<sup>7</sup> and 2006,<sup>8</sup> the Commission's final rules for the interconnection of large and small generators, non-independent transmission providers

---

<sup>7</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146, (2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (Mar. 26, 2004), FERC Stats. & Regs., ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005) FERC Stats. & Regs. ¶ 31,171 (2005), *order on reh'g*, Order No. 2003-C, (2005); *see also*, 106 FERC ¶ 61,009 (2004).

<sup>8</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).

were permitted to propose variations to the Commission's *pro forma* generator interconnection procedures if the variations were based on existing regional reliability requirements justified through established regional reliability standards.<sup>9</sup> Non-independent transmission providers were also permitted to seek variations from the *pro forma* interconnection procedures and interconnection agreement in addition to regional reliability requirements. However, the transmission provider must show that its proposed variations are consistent with or superior to either the Commission's interconnection procedures and interconnection agreement, or the transmission provider's previously approved variations to the interconnection procedures and interconnection agreement.<sup>10</sup> Accordingly, we review SoCal Edison's filing under this standard.<sup>11</sup>

## 2. SoCal Edison's Proposed Modifications and Commission Determinations

9. As discussed below, we find SoCal Edison's proposed GIP revisions to be consistent with or superior to existing GIP language because they provide greater clarity, closer alignment with the CAISO tariff, reduced administrative burden, and increased financial and schedule certainty for interconnection customers, for SoCal Edison, and for other interested parties. To ensure that interconnection customers in Queue Cluster 9 are able to utilize the applicable provisions, we grant SoCal Edison's request for waiver of the 60-day prior notice requirement for the proposed revisions to become effective July 29, 2016.<sup>12</sup>

10. In addition, we note that the Commission has accepted revisions proposed by CAISO that are similar to the substantive revisions proposed by SoCal Edison in this proceeding. For example, in the March 2016 Order, the Commission accepted certain revisions to the CAISO generator interconnection process to: (1) provide the interconnection customer with additional flexibility for project changes between the

---

<sup>9</sup> See Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at PP 822-824. See also Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 546.

<sup>10</sup> Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 825. See also Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 550.

<sup>11</sup> While SoCal Edison is a participating transmission owner in CAISO, the WDAT GIP applies to wholesale distribution services that are not under CAISO's operational control.

<sup>12</sup> *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

Phase I and Phase II interconnection studies without loss of queue position;<sup>13</sup> (2) allow CAISO and the transmission owner to declare an impasse in negotiations after the negotiation period lapses, wherein the transmission owner would then file an unexecuted GIA with the Commission within 21 days;<sup>14</sup> (3) require interconnection customers to maintain feasible in-service dates based on the construction timelines provided in their study results;<sup>15</sup> and (4) modernize the *pro forma* large generator interconnection agreement (LGIA) insurance provisions, which will be incorporated into the customer-specific GIA.<sup>16</sup> In addition, in the December 2014 Order, the Commission accepted CAISO's proposal to clarify the timing of reimbursement for interconnection customer-financed network upgrades.<sup>17</sup>

a. **Expanding the Scope of Interconnection Modifications**

11. Currently, if a timely modification request between the Phase I and II studies is deemed by SoCal Edison to be non-material (i.e., does not require a material modification analysis which requires a \$10,000 deposit),<sup>18</sup> the modification will be evaluated in the Phase II study, and the Phase I study would not require revision. The proposed revisions would provide additional flexibility to allow interconnection customers to expand the scope of non-material project changes that could be evaluated in Phase II interconnection studies to include changes in the in-service date, trial operation date, and commercial operation date. SoCal Edison states that, after the Phase I Study report is produced, parties have a better sense of the time required to construct the identified network upgrades.<sup>19</sup>

---

<sup>13</sup> See March 2016 Order, 154 FERC ¶ 61,169 at P 3.

<sup>14</sup> *Id.* P 16.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* P 25.

<sup>17</sup> See December 2014 Order, 149 FERC ¶ 61,231 at PP 1 and 2.

<sup>18</sup> See GIP section 4.5.7.2.2. Currently, non-material modifications include a decrease in the electrical output (MW) of the proposed project; modification of technical parameters associated with generating facility technology or step-up transformer impedance characteristics; and modification of the interconnection configuration.

<sup>19</sup> See SoCal Edison Filing at 6.

12. We accept these changes to the GIP. The proposed revisions would permit the Phase II studies to more accurately represent the project ultimately to be built, and reduce engineering and schedule uncertainty. Accordingly, we find that these proposed revisions are consistent with or superior to the existing language in SoCal Edison's GIP.

**b. Right to Declare an Impasse**

13. The proposed revisions would provide additional flexibility to allow SoCal Edison to declare that negotiations of the GIA are at an impasse – upon 120 calendar days after issuance of the final Phase II interconnection study report, or at any time following 120 calendar days after issuance of the final Phase II Interconnection Study report if the parties have agreed to extend negotiation of the GIA. Currently, the GIP allows only the interconnection customer to declare that GIA negotiations are at an impasse. If an interconnection customer is not actively engaging in negotiation of a GIA but still wants a prolonged negotiation period, SoCal Edison's only recourse is to wait 120 calendar days after issuance of the final interconnection study report to deem the interconnection request withdrawn.<sup>20</sup>

14. We find that the proposed revision would provide an additional tool for SoCal Edison to utilize when an interconnection customer is potentially delaying the process for others in the queue. Accordingly, we find that this revision is consistent with or superior to the existing provision and therefore accept this proposed revision. We note that an interconnection customer still retains the right to initiate dispute resolution with SoCal Edison under GIP section 3.11, if it finds such an avenue appropriate.

**c. Feasible In-Service Dates**

15. SoCal Edison proposes to ensure that an interconnection customer maintains a viable project in-service date and commercial operation date. For example, SoCal Edison argues that there have been cases where the interconnection agreement negotiations have become prolonged, the interconnection customer has suspended its interconnection agreement, or the construction of required network upgrades or interconnection facilities are delayed. Any one of these could cause the milestone dates in the interconnection agreement, such as the in-service date and commercial operation date, to pass or the construction timelines in the interconnection agreement to otherwise become unachievable.<sup>21</sup> As a result, SoCal Edison proposes to hold interconnection customers responsible for requesting extensions to their in-service date and commercial operation

---

<sup>20</sup> See cluster or independent study process GIA negotiation at GIP sections 4.9.2 or 5.10.2, respectively.

<sup>21</sup> See SoCal Edison Filing at 8.

date, as appropriate, while the interconnection request and/or interconnection agreement remains active in the interconnection process. Specifically, if after the final Phase II cluster study process or independent study process interconnection facilities study report is issued, the in-service date is not achievable based on the estimated time to: (i) negotiate the GIA, and (ii) construct the longest lead network upgrade, interconnection facility, or distribution upgrade as set forth in the interconnection study reports, the interconnection request shall be deemed withdrawn<sup>22</sup> pursuant to current GIP section 3.11.<sup>23</sup>

16. An interconnection customer not actively engaged in negotiating the GIA or, in updating its in-service date or commercial operation date, would under SoCal Edison's proposal not be able to remain in the interconnection queue or impede the process of other interconnection customers in the queue if unable to cure the deficiency pursuant to existing GIP procedures. We thus find that SoCal Edison's proposal to hold interconnection customers responsible for extension requests as described above is consistent with or superior to the current GIP provision and therefore accept it.

**d. Partial Financial Security Recovery for Network Upgrades**

17. SoCal Edison proposes to remove an ambiguity in the existing GIP that has allowed interconnection customers to obtain higher financial security refund amounts by claiming they were unable to obtain a power purchase agreement after previously attesting a willingness to self-finance network upgrades and interconnection facilities (i.e., proceed without a power purchase agreement).<sup>24</sup> SoCal Edison proposes to add that, if an interconnection customer has attested a willingness to proceed without a power purchase agreement, then the interconnection customer is ineligible to claim inability to

---

<sup>22</sup> See cluster or independent study process GIA negotiation at GIP sections 4.9.2, or 5.10.2, respectively.

<sup>23</sup> Pursuant to the current GIP section 3.11 withdrawal procedures, upon receipt of the withdrawal notice, the interconnection customer has five business days to cure by information or action the deficiency or support its position that the deemed withdrawal was erroneous and notify the distribution provider of its intent to pursue dispute resolution.

<sup>24</sup> See SoCal Edison Filing at 10.

obtain a power purchase agreement as a condition for partial recovery of interconnection financial security.<sup>25</sup>

18. Because the interconnection customer would now become ineligible for partial recovery of interconnection financial security in cases where the customer makes a prior commitment to proceed without a power purchase agreement, SoCal Edison's proposed revision removes ambiguity in the interconnection process. We find that it is reasonable, in the circumstances where an interconnection customer assumed the risk of proceeding without a power purchase agreement, to be ineligible to claim an inability to obtain such an agreement, and we conclude that this revision is consistent with or superior to the GIP language previously accepted by the Commission.

**e. Financial Security Posting Date Modification**

19. SoCal Edison explains that when interconnection studies are found to have errors or omissions, there can be an effect on an interconnection customer's maximum cost responsibility and financial security requirements, or to financial security posting dates. SoCal Edison states that there has been confusion as to whether adjustments to the interconnection financial security posting date apply to study report changes that occur after the initial and second interconnection financial security postings have been made.

20. SoCal Edison proposes to clarify that adjustments of interconnection financial security posting dates are allowable only if substantial errors and omissions, which result in the issuance of a revised final study report, are identified prior to and not after the initial or second posting date.<sup>26</sup> Since this variation provides clarity to SoCal Edison's GIP, we find that it is consistent with or superior to the tariff language previously approved by the Commission and therefore accept SoCal Edison's proposal.

**f. Timing of Repayment for Amounts Advanced for Network Upgrades**

21. SoCal Edison's proposed revisions update the *pro forma* interconnection agreements (Independent Study Process GIA and Cluster LGIA) regarding repayment of funds provided by interconnection customers for network upgrades to provide that

---

<sup>25</sup> See GIP Cluster Study and Independent Study Process failure to secure a power purchase agreement at sections 4.8.5.1 (a) and 5.9.5.1 (a), respectively. See also TP Deliverability allocation affidavit under section 8.9.2(2)(a) of Appendix DD to the CAISO tariff.

<sup>26</sup> See GIP Cluster and Independent Study Process revisions and addenda to final interconnection study reports at sections 4.5.7.4, and 5.8.1.3, respectively.

repayment for network upgrades should begin when those upgrades are utilized to deliver the output of the customer's generating facility.<sup>27</sup>

22. We find that SoCal Edison's revisions are consistent with network upgrade repayment policies contained in Order No. 2003,<sup>28</sup> which stipulate that the interconnection customer should receive transmission credits only if its generating facility has achieved commercial operation.<sup>29</sup> We further find that SoCal Edison's proposed GIP revisions strike an appropriate balance between requiring interconnection customers to initially fund necessary network upgrades and the timing of reimbursement. In addition, the revisions ensure that interconnection customers in the same queue cluster will be bound by the same requirements. Therefore, we find that the proposed revisions are consistent with or superior to the current provisions in SoCal Edison's GIP and accept them.

**g. Insurance Requirements**

23. SoCal Edison's proposed revisions are intended to update GIA insurance language to be consistent with current insurance industry standards. SoCal Edison states that most of the insurance requirements date back to Order No. 2003, but that some of those requirements are out-of-date or no longer applicable.<sup>30</sup>

24. We find that the proposed revisions are substantively the same as those the Commission accepted in the March 2016 Order in the CAISO tariff.<sup>31</sup> Given that SoCal Edison's proposed variations ensure consistency with Order No. 2003, align with the relevant provisions of the CAISO tariff and current insurance industry standards, and could facilitate interconnection customer efforts to obtain commercially reasonable insurance for new generator projects, we find that they are consistent with or superior to the existing GIP language and we therefore accept these revisions.

---

<sup>27</sup> See SoCal Edison Filing at 10 and 11.

<sup>28</sup> See Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at PP 309-313.

<sup>29</sup> *Id.* PP 29 & 313.

<sup>30</sup> See SoCal Edison Filing at 11.

<sup>31</sup> See March 2016 Order, 154 FERC ¶ 61,169 at PP 25 & 58.

The Commission orders:

SoCal Edison's proposed tariff revisions are hereby accepted for filing, effective July 29, 2016, as requested.

By the Commission. Commissioner Clark is not participating.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.