

142 FERC ¶ 61,089
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

Southern California Edison Company

Docket No. ER13-532-000

ORDER ON TARIFF REVISIONS

(Issued February 4, 2013)

1. On December 7, 2012, Southern California Edison Company (SoCal Edison) filed proposed revisions to its Generator Interconnection Procedures (GIP) in its Wholesale Distribution Access Tariff (WDAT) and associated Generator Interconnection Agreement (GIA).¹ SoCal Edison requests acceptance of these provisions to align its WDAT GIP with interconnection procedures set forth in CAISO's tariff, and to accommodate reforms adopted by the California Public Utilities Commission (CPUC) to SoCal Edison's state-jurisdictional interconnection tariff on file with the CPUC known as Electric Tariff Rule 21 (Rule 21). This order accepts SoCal Edison's proposed tariff revisions, effective December 8, 2012, as requested.

I. Background

2. On April 29, 2011, the Commission conditionally accepted SoCal Edison's proposal to implement a new GIP structure under SoCal Edison's WDAT,² which followed CAISO's earlier proposal to combine large and small generator interconnection procedures and implement a new cluster study process.³ In *SoCal Edison GIP*, SoCal

¹ See SoCal Edison filing of its proposed revised WDAT, Attachment I GIP. GIP revisions include changes to several of the standard forms for processing a request to interconnect under the independent and cluster study processes, including the GIA and study process agreement.

² See *Southern California Edison Company*, 135 FERC ¶ 61,093, *reh'g denied*, 137 FERC ¶ 61,013 (2011) (*SoCal Edison GIP*).

³ See *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223 (2010) (CAISO GIP Order). In this order the Commission accepted CAISO's proposed generator

Edison explained that WDAT interconnection requests have network impacts that affect the CAISO-controlled grid. SoCal Edison argued that as a result, the study processes for interconnection requests to its distribution system must be coordinated with requests to interconnect to the CAISO grid in order to achieve the greatest level of efficiency in interconnection to both systems. SoCal Edison further argued that without integration between the interconnection requests to its distribution system and those of the CAISO-controlled grid, the study processes had become unworkable.⁴

3. On September 13, 2012, the CPUC approved the Rule 21 Tariff Settlement Agreement (Rule 21 Settlement) in Rulemaking 11-09-011.⁵ The new Electric Rule 21 (Revised Rule 21) establishes SoCal Edison's, as well as other California investor-owned utilities' (IOU), rules and regulations pertaining to CPUC-jurisdictional generator interconnections, such as Net-Energy Metered customers and Qualifying Facilities.

4. According to SoCal Edison, the Rule 21 Settlement fulfilled the CPUC's goals to address policy and technical issues essential to timely, predictable and transparent interconnection rules, and to avoid such issues as duplicative queues and study processes for CPUC and Federal Energy Regulatory Commission (Commission)-jurisdictional projects. SoCal Edison states that the Rule 21 Settlement was supported by a large and varied group of stakeholders.

5. Revised Rule 21 provides interconnection, operating and metering requirements for generating facilities to be connected to a distribution utility's system over which the CPUC has jurisdiction. It generally applies to net energy metering generating facilities and generating facilities that do not export to the grid or sell any exports sent to the grid.

interconnection process tariff revisions which addressed, among other issues, the conflict between CAISO's study processes for small and large generators. CAISO's proposed revisions adopted an integrated cluster (group) study process for both small and large generators.

⁴ See *SoCal Edison GIP 135 FERC ¶ 61,093* at P 2.

⁵ See CPUC Decision (D.) 12-09-018, *Decision Adopting Settlement Agreement Revising Distribution Level Interconnection Rules and Regulations – Electric Tariff Rule 21 and Granting Motions to Adopt the Utilities' Rule 21 Transition Plans* (D.12-09-018), issued September 20, 2012 in Order Instituting Rulemaking (R.) 11-09-011, *Order Instituting Rulemaking on the Commission's Own Motion to Improve Distribution Level Interconnection Rules and Regulations for Certain Classes of Electric Generators and Electric Storage Resources* (R.11-09-011), filed September 22, 2011. D.12-09-018 (with all attachments) available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M028/K168/28168335.PDF>.

All other interconnections are made pursuant to either CAISO's interconnection procedures or the distribution utility's wholesale access distribution tariff.⁶

6. Section II.F of the Rule 21 Settlement provides:

Coordination with the Federal Energy Regulatory

Commission: Following Commission approval of this Settlement Agreement, the IOUs shall seek Federal Energy Regulatory Commission ("FERC") approval of any necessary changes to their respective FERC-approved wholesale distribution access tariffs to accommodate Revised Rule 21 Tariff applicants that are studied in the transmission cluster study process and choose a Commission jurisdictional interconnection agreement. The Settling Parties shall support or not file any pleadings or administrative challenges objecting to the IOUs' FERC filings.

7. SoCal Edison seeks in this filing to provide WDAT generators the same set of benefits that are available to the generators interconnecting under the CAISO tariff generation interconnection process. The filing also seeks to accommodate Revised Rule 21 procedures to help create a comprehensive generation study process that simultaneously addresses similarly situated and electrically interdependent projects interconnecting under the CPUC-jurisdictional Rule 21 and the Commission-jurisdictional transmission and distribution tariffs of CAISO and SoCal Edison. Also, the filing corrects errors and/or deletes obsolete sections of the WDAT GIP to avoid confusion.

8. SoCal Edison states that under the Revised Rule 21 interconnection process, the cluster study process⁷ under the WDAT effectively becomes a single process in which electrically interdependent generators connecting under any tariff are included and studied in a unified cluster study to ensure meaningful study results among the CAISO, WDAT and similarly-situated Rule 21 generators, and thus to streamline the study process. In the CAISO GIP proceeding, CAISO stated that a cluster study approach is more desirable when many projects require simultaneous study, because it raises the level

⁶ *Id.*

⁷ Under a cluster study process, a group of interconnection requests are studied jointly to determine their effects on the transmission system. As a result of clustering, the need for repeating studies or dramatically changing the costs of interconnection are minimized. A cluster or group study will include interconnection requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying interconnection service.

of analysis of necessary transmission upgrades from the individual project level to the point of studying an entire group of electrically-related projects at the same time.

II. SoCal Edison's Tariff Filing

A. WDAT GIP Revisions

9. SoCal Edison asserts that its proposed WDAT GIP revisions provide a framework for coordinated evaluation of interconnection requests, including interconnection requests under the Revised Rule 21 procedures. SoCal Edison states that its WDAT GIP revisions will benefit its interconnection customers by addressing concerns raised by generators and by creating a more efficient, interactive, fair, and cohesive process for addressing and processing interconnection requests. SoCal Edison further proposes revisions to streamline the interconnection process, provide enhanced opportunities for interconnection customers with respect to costs and project size and promote the development and integration of renewable resources. SoCal Edison proposes to further synchronize its WDAT GIP with the CAISO and Rule 21 tariffs on key items such as study methodology, study cost estimates, study timelines, security posting amounts and timelines, and interconnection agreement negotiation timelines.

10. SoCal Edison proposes to allow generators an interactive opportunity to engage in an iterative process of study report review;⁸ to increase the time for GIA negotiations from 90 to 120 days;⁹ and to clarify the timing and financial responsibility for network upgrades and the calculation methodology for the initial and second interconnection financial security postings.¹⁰ To address customer concerns with potential delays, SoCal Edison is revising the GIP to provide that when delivery network upgrades cannot be completed by the commercial operation date, the interconnection study will include interim mitigation measures necessary to allow the generating facility to interconnect as an energy-only resource until the delivery network upgrades are completed and placed into service.¹¹ SoCal Edison states that revisions proposed in this filing are a necessary

⁸ See WDAT Attachment I GIP, sections 4.5.7 and 4.6.9, Phase I & II results meetings.

⁹ See WDAT Attachment I GIP, section 4.9.2, Negotiation.

¹⁰ SoCal Edison states that revisions proposed in this filing are a necessary and important step in the ongoing effort to make the process of interconnecting both small and large generators in the CAISO balancing area more efficient while remaining non-discriminatory. See WDAT Attachment I GIP, sections 4.8.2 and 4.8.3, initial and second postings of financial security.

¹¹ See WDAT Attachment I GIP, section 4.6.9, interim energy-only interconnection.

and important step in the ongoing effort to make the process of interconnecting both small and large generators in the CAISO balancing area more efficient while remaining non-discriminatory.

11. SoCal Edison states that, where possible it has provided revisions to the independent study process¹² which are similar to revisions in the cluster study process. For example, SoCal Edison states that generators will be provided with such important benefits as: (1) cost estimates in present dollar costs as well as time-adjusted dollar costs,¹³ (2) the opportunity to correct study reports, which may result in a revision of study and financial security costs and posting timelines,¹⁴ and (3) a safe harbor downsizing opportunity to adjust the size of their facilities based on events that may occur in the licensing/permitting stages.¹⁵

12. SoCal Edison adds that Revised Rule 21 contains no provisions for an interconnection customer to obtain a deliverability assessment. However, according to SoCal Edison, its proposed WDAT GIP revisions would allow Rule 21 interconnection customers to receive a deliverability assessment from CAISO wherein an evaluation would be performed to determine whether a generating facility or a group of generating facilities could provide energy to the CAISO-controlled grid and be delivered to the

¹² The independent study process is a two-part electrical independence evaluation of a generating facility's interconnection request in which CAISO and SoCal Edison each provide a determination of whether a customer's facility is electrically independent of interconnection requests from any earlier-queued generating facilities on the CAISO controlled grid and SoCal Edison's distribution system. *See* CAISO tariff, Appendix A, Master Definitions Supplement.

¹³ *See* WDAT Attachment I GIP, sections 4.5.2 and 5.8, Interconnection Studies for the cluster study process and independent study process, respectively.

¹⁴ *See* WDAT Attachment I GIP, cluster study process sections 4.5.7.3, Impact of Generating Capacity or Deliverability Status Modifications on Calculation of Initial Financial Security Posting, 4.5.7.4, Revisions and Addenda to Final Interconnection Study Reports, and 4.8.2 and 4.8.3, Posting of Interconnection Financial Security. *See also* WDAT Attachment I GIP, independent study process sections 5.8.1.2 and 5.8.1.3, Timing of Study Results and Revisions to Study Reports, and sections 5.9.2 through 5.9.4, Posting of Interconnection Financial Security.

¹⁵ *See* WDAT Attachment I GIP, Appendices 5 (for cluster study process) and 6 (for independent study process), GIA article 5.19.4 for cluster study process and independent study process.

aggregate of load on the CAISO-controlled grid¹⁶ and still be eligible to participate in CPUC procurement programs that require a Rule 21 interconnection.¹⁷ Specifically, an eligible interconnection customer or generating facility could request a full or partial capacity deliverability study within a cluster application window, based on available transmission capacity.

13. In addition, consistent with the Rule 21 Settlement, SoCal Edison has added language to the WDAT GIP to permit an interconnection customer that is eligible for Rule 21, but is studied under the WDAT GIP cluster study process to sign a Rule 21 GIA instead of a WDAT GIA.¹⁸ SoCal Edison proposes to allow an interconnection customer in queue cluster 5 or subsequent queue clusters who is eligible to interconnect under state jurisdiction at the time of election, a one-time election to opt for a Rule 21 GIA. SoCal Edison argues that this process will allow SoCal Edison, interconnection customers, and CAISO to have a full picture of all interconnection requests and their impacts on the electric grid. Accordingly, SoCal Edison argues that the inclusion of the WDAT GIP provisions necessary to allow Rule 21 generators to be studied in its WDAT cluster will create a superior, more comprehensive and more accurate study assessment process.

B. Proposed Effective Date

14. SoCal Edison requests an effective date of December 8, 2012. SoCal Edison explains that it is important that the proposed WDAT GIP revisions become effective as soon as possible, and in any case prior to January 30, 2013, as that is the date that the Phase I interconnection studies for queue cluster 5 are expected to be published. SoCal Edison asserts that the December 8, 2012 effective date would provide those interconnection customers with the ability to benefit from the proposed WDAT GIP revisions applicable to the period following the Phase I interconnection studies.

¹⁶ See WDAT Attachment I GIP, section 4.2.1, Initiating an Interconnection Request. See also deliverability and deliverability assessment, CAISO tariff, Appendix A, Master Definitions Supplement. A deliverability assessment evaluates the CAISO controlled grid at peak load, under a variety of severely stressed conditions.

¹⁷ See WDAT Attachment I GIP, section 4.7.1, Annual Full Capacity Deliverability Option.

¹⁸ See WDAT Attachment I GIP, section 4.9.1, Generator Interconnection Agreement Tender. When the Rule 21 GIA is executed, the customer's interconnection becomes a CPUC-jurisdictional project.

III. Notice of Filing and Responsive Pleadings

15. Notice of SoCal Edison's filing was published in the *Federal Register*, 77 Fed. Reg. 74,653 (2012), with interventions, comments, and protests due on or before December 28, 2012.

16. The Energy Producers and Users Coalition (EPUC)¹⁹ filed a motion to intervene. CAISO filed a motion to intervene and comments. The CPUC filed a notice of intervention and comments. On January 4, 2013, SoCal Edison filed a motion to answer and answer to the CPUC's comments.

IV. Discussion

A. Procedural Matters

17. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed notice and motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept SoCal Edison's answer because it has provided information that assisted us in our decision-making process.

B. CAISO and CPUC Comments and SoCal Edison Answer

1. CAISO Comments

18. CAISO states that it is not providing comments on the proposed tariff modifications specifically. However, CAISO states that it fully endorses SoCal Edison's efforts to update its WDAT GIP to be consistent with CAISO interconnection procedures and agrees that doing so is important to providing fair and efficient interconnection service to those generators that interconnect to SoCal Edison's distribution system. CAISO states that this is especially true for WDAT interconnection customers that wish to obtain deliverability status on the CAISO-controlled grid, which requires that the generator be evaluated by CAISO as part of CAISO's interconnection study process. CAISO states that, as such, it is important that SoCal Edison's WDAT GIP is aligned with CAISO's processes so that WDAT interconnection customers have an equal opportunity to take advantage of the deliverability options offered under the CAISO tariff.

¹⁹ EPUC describes itself as an ad hoc association representing the large industrial and commercial consumer and cogeneration interests of its members.

2. CPUC Comments

19. The CPUC supports the proposed revisions to SoCal Edison's WDAT and associated documents. The CPUC states that SoCal Edison's proposed method of accommodating eligible interconnection customers that elect CPUC-jurisdictional or FERC-approved interconnection agreements following a transmission cluster study is reasonable. Further, the CPUC states that SoCal Edison's aligning of additional WDAT GIP procedural provisions with Revised Rule 21 closes gaps and ensures fair treatment.

20. The CPUC nevertheless recommends additional changes to coordinate SoCal Edison's WDAT GIP with Revised Rule 21. Specifically, the CPUC recommends that SoCal Edison incorporate the Revised Rule 21 minimum load-based penetration threshold to SoCal Edison's WDAT GIP.

21. The CPUC states that the Revised Rule 21 100 percent of minimum load-based penetration threshold provides that aggregate generating capacity on a distribution line segment is permitted to reach 100 percent of that line segment's minimum load.²⁰ The CPUC states that it has advocated for this penetration threshold in the context of other FERC proceedings.²¹ The CPUC states that this new penetration threshold is implemented in Revised Rule 21 as part of the supplemental review. Where a generating facility's output in aggregate with other generating capacity on the line segment exceeds the standard 15 percent of peak load threshold, the interconnection customer may pay an additional fee for supplemental review. Then, the utility determines whether the minimum load level on that line segment can accommodate the aggregate generating capacity, and whether other safety and reliability tests are met.²² If the tests are met, fast track is complete and the customer may proceed to interconnection.²³

22. The CPUC states that it is aware that the Commission is considering opening a rulemaking to investigate modifications to the small generator interconnection procedures, including the 15 percent of peak load penetration threshold.²⁴ In the interim,

²⁰ Rule 21, section G.2.a (Screen N, Penetration Test).

²¹ See CPUC, Motion to Intervene and File Comments Out of Time, Docket No. RM12-10-000 at 4 (filed April 9, 2012).

²² Rule 21, section G.2.b (Screen O, Power Quality and Voltage Tests), and section G.2.c (Screen P, Safety and Reliability Tests).

²³ *Id.* section G.2.c.

²⁴ See Supplemental Notice of Technical Conference, Docket No. AD12-17-000, (July 2, 2012), Agenda, Panel 1 ("Whether the 15% Screen in Section 2.2.1.2 of the pro forma SGIP should be revised").

argues the CPUC, introduction of the 100 percent of minimum load-based penetration threshold to SoCal Edison's WDAT GIP would allow a more complete implementation in California of this important new interconnection standard. The CPUC states that it anticipates that this new 100 percent of minimum load-based threshold, plus the additional voltage, power quality, safety, and reliability queries set out in supplemental review in Revised Rule 21, will provide a path to interconnection for a significant number of interconnection requests, allowing greater opportunity to interconnect to the distribution system in California without detailed study.

3. SoCal Edison's Answer

23. SoCal Edison states that procedurally, it is not proposing any substantive modifications to the fast track section of its WDAT GIP, as suggested by the CPUC. SoCal Edison argues that such fast track provisions are not at issue in this proceeding and cannot be formally modified in the present docket. In addition, SoCal Edison states that the existing WDAT GIP fast track provisions already allow SoCal Edison, when safety and reliability permit, the flexibility to accommodate interconnection requests by considering an alternative penetration threshold such as the 100 percent of minimum load test proposed by the CPUC.²⁵ SoCal Edison concludes that the WDAT provisions currently in effect are, therefore, not inconsistent with the CPUC recommendations. Because in practice, projects would not be evaluated differently under the Revised Rule 21 fast track as compared to the WDAT GIP fast track, SoCal Edison requests that the Commission accept its tariff filing without additional revisions.

C. Commission Determination

24. We accept SoCal Edison's revised tariff provisions as consistent with or superior to the provisions in Order No. 2003 and Order No. 2006.²⁶ We find that SoCal Edison's proposal will be beneficial to all customers seeking interconnection as it will foster consistency, avoid duplicative queues and study processes for Commission and CPUC-jurisdictional projects and enable a more efficient and transparent interconnection process going forward because it "will improve efficiency by creating a framework through

²⁵ See, e.g., WDAT Attachment I GIP, Sections 6.7, 6.9 and 6.10 which provide alternative courses of action if the proposed interconnection fails the screens, including the 15 percent-of-peak-load screen, or cannot proceed without modification or supplemental review.

²⁶ *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223, at P 78 (2010) (stating "[a]ny utility proposing to utilize an approach that mirrors the GIP will have to justify its consistency with Order No. 2003 and Order No. 2006 and Commission precedent under the relevant standard, and it will not enjoy an independent entity variation accommodation.").

which SoCal Edison and CAISO can simultaneously, and in a more coordinated manner, evaluate impacts to their respective systems.”²⁷

25. Because a request to interconnect to SoCal Edison’s distribution system may invoke treatment under Revised Rule 21 or the Commission-approved WDAT GIP, depending on individual circumstances, aligning the terms and conditions between the CPUC-jurisdictional and Commission-jurisdictional tariffs will be of significant benefit. We find that SoCal Edison’s proposed revisions incorporate appropriate measures to allow for evaluation of transmission system impacts while also incorporating appropriate interconnection study processes to allow for evaluation of system impacts at the distribution level. We find that SoCal Edison’s proposal is beneficial in that it offers a standardized approach that avoids duplicative processes for studying generators that seek interconnection to SoCal Edison’s distribution system, which may impact CAISO’s transmission system.

26. The CPUC generally supports the proposed revisions to SoCal Edison’s WDAT GIP. However, the CPUC recommends that the Commission require SoCal Edison to modify its tariff to incorporate Revised Rule 21’s 100 percent minimum load-based penetration threshold into the supplemental review portion of the fast track process. We find that the modification recommended by CPUC is outside the scope of this proceeding, but note that this issue is under review as part of the proposals in the Small Generator Interconnection Agreements and Procedures Notice of Proposed Rulemaking.²⁸

27. The Commission finds that SoCal Edison’s proposed changes to the WDAT GIP will provide interconnection customers with more consistency with respect to timelines and cost estimates, transparency, and flexibility. The flexibility to select between a Commission-jurisdictional and a CPUC-jurisdictional interconnection agreement will promote efficiency and effective coordination of the interconnection processes. Accordingly, we accept SoCal Edison’s proposed revisions as consistent with Order Nos. 2003 and 2006, and consistent with or superior to the *pro forma* LGIP and SGIP.

28. SoCal Edison requests that the Commission grant a waiver of the 60-day notice requirement set forth in section 35.3 of the Commission’s rules and regulations, 18 C.F.R. § 35.3 (2012) to allow the revisions to become effective on December 8, 2012. Consistent with *Central Hudson*, we find good cause exists to grant the requested

²⁷ *SoCal Edison GIP*, 135 FERC ¶ 61,093 at P 28.

²⁸ *Small Generator Interconnection Agreements and Procedures*, Notice of Proposed Rulemaking, 142 FERC ¶ 61,049 (January 17, 2013).

waiver.²⁹ Accordingly, waiver of the Commission's prior notice requirements is granted and SoCal Edison's revised tariff sheets are accepted, effective December 8, 2012.

The Commission orders:

SoCal Edison's proposed WDAT tariff revisions are hereby accepted, effective December 8, 2012, as requested.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

²⁹ *Central Hudson Gas and Electric Company, et al.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992), and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).