

141 FERC ¶ 61,041
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. ER12-2506-000

ORDER ON SMALL GENERATOR INTERCONNECTION AGREEMENT

(Issued October 18, 2012)

1. On August 23, 2012, Southern California Edison Company (SoCal Edison) filed with the Commission a Small Generator Interconnection Agreement (SGIA) between TA – Acacia, LLC (Acacia), the California Independent System Operator Corporation (CAISO) and SoCal Edison to interconnect and transmit energy from Acacia’s proposed 20 megawatt solar generating facility to the CAISO-controlled grid. This order accepts the SGIA, effective as of August 24, 2012, as requested by SoCal Edison, subject to its revision in a compliance filing as further discussed in this order.

I. Background

2. SoCal Edison states that Acacia applied to CAISO to interconnect the Acacia generating facility to SoCal Edison’s existing Antelope 66 kV Substation in order to transmit energy to the CAISO controlled grid.¹ SoCal Edison states that Acacia’s proposed commercial operation date for the Acacia generating facility is June 30, 2014, and that Acacia is participating in CAISO’s Small Generator Interconnection Procedures (SGIP).

3. SoCal Edison states that the SGIA specifies the terms and conditions pursuant to which: (a) SoCal Edison and CAISO will provide interconnection service; (b) SoCal Edison as the participating transmission owner (Participating TO) will design, procure, construct, own, operate and maintain its interconnection facilities, reliability network upgrades and distribution upgrades; and (c) the interconnection customer will pay for

¹ The Acacia generating facility is to be located in Lancaster, California, and would interconnect to SoCal Edison’s existing Antelope 66 kV Substation in the East Kern Wind Resource Area (EKWRA), and transmit energy to the CAISO-controlled grid.

such facilities. SoCal Edison states that, pursuant to the SGIA, Acacia will compensate SoCal Edison for capitalized costs incurred for the engineering, design, procurement, construction and installation of the interconnection facilities, distribution upgrades and reliability network upgrades.

4. SoCal Edison states that upon completion of its EKWRA upgrades and upgrades initiated to support other generation projects, the Antelope Substation (to which Acacia will interconnect) may be reclassified to become part of SoCal Edison's distribution system and would no longer be under CAISO's operational control. SoCal Edison states that, as the Participating TO, such reclassification would necessitate that some of its reliability network upgrades identified for the Acacia generating facility would be reclassified as distribution upgrades.²

5. SoCal Edison further states that it has included in the terms and conditions of Section 18 of Attachment 2 of the SGIA a description of the effects on the interconnection customer that would result from such reclassification of upgrades.³ These effects would include termination of any CAISO or SoCal Edison obligation to provide repayment to Acacia for its financing of the SoCal Edison reliability network upgrades once these upgrades are reclassified as distribution upgrades.⁴ The reclassification provision also provides that should the point of interconnection change from the CAISO-controlled grid to the distribution system, then the Participating TO and the interconnection customer will negotiate in good faith to replace the SGIA with a Generator Interconnection Agreement (GIA) consistent with the *pro forma* GIA contained in the SoCal Edison's Wholesale Distribution Access Tariff (WDAT). In addition, the reclassification provision states that upon the effective date of the replacement GIA, the parties will terminate the SGIA.

² See Acacia SGIA Attachment 2 at Section 18 (a) Reclassification of network upgrades (reclassification provision).

³ SoCal Edison has included two other changes to the *pro forma* SGIA. First, it has included in Article 5.3.1.1, Repayment for Non-Phased Generating Facilities, duplicate text regarding interest on repayment. SoCal Edison notes that this language is also included in Article 5.3.1.3, Interest Payment and Assignment Rights. Second, SoCal Edison has included in Article 5.3.1.1, text regarding what happens if the small generating facility fails to achieve Commercial Operation but it or another generating facility is later constructed and makes use of the network upgrades. SoCal Edison states that this text should have been included under Section 5.3.1.4, Failure to Achieve Commercial Operation but has been erroneously left out of the *pro forma* SGIA.

⁴ See SoCal Edison August 23, 2012 Transmittal Letter at 3 n.1.

II. Notice of Filings and Responsive Pleadings

6. Notice of SoCal Edison's filing was published in the *Federal Register*, 77 Fed. Reg. 53,880 (2012). Interventions and protests were due on or before September 13, 2012. None were filed.

III. Discussion

Commission Determination

7. Pursuant to Order No. 2006⁵, the SGIP includes several *pro forma* agreements to provide interconnection service to generators that are no larger than 20 megawatts.⁶ Use of the *pro forma* agreements to accommodate interconnection service requests reduces time and costs for interconnection customers and transmission providers and helps remedy undue discrimination.⁷ However, the Commission recognized that there would be a small number of extraordinary interconnections where unique factors would call for the filing of a non-conforming agreement.⁸ A transmission provider seeking a case-specific deviation from a *pro forma* interconnection agreement bears the burden of justifying and explaining what makes the interconnection unique and what operational concerns or other reasons necessitate the variations.⁹ The Commission analyzes the variations to ensure that operational or other reasons necessitate the non-conforming agreement.¹⁰

⁵ *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).

⁶ Among the agreements appended to the Small Generator Interconnection Procedures are the Interconnection Request, the Interconnection Study Agreements, and the Small Generator Interconnection Agreement.

⁷ Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 1.

⁸ See Order No. 2006, FERC Stats. & Regs. ¶ 31,180, at PP 560-562. The Commission requires that the filing party clearly identify the portions of the interconnection agreement that differ from its *pro forma* agreement and explain the circumstances that require a variation.

⁹ See, e.g., *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098, at P 9 (2005) (*PJM Order*); see also *El Paso Electric Co.*, 110 FERC ¶ 61,163, at P 4 (2005).

¹⁰ See *PJM Order*, 111 FERC ¶ 61,098 at P 9.

8. Under Commission policy, the interconnection customer must bear the cost of necessary interconnection facilities and distribution upgrades.¹¹ Also, the interconnection customer must initially fund the cost of network upgrades, but is entitled to credits against its charges for transmission delivery service equal to the amount funded, plus interest.¹² Pursuant to both the Commission's *pro forma* SGIA and the CAISO SGIA, Article 4.1.1 states that the interconnection customer shall pay for the cost of the interconnection facilities as itemized in Attachment 2 of the SGIA. The *pro forma* SGIA Attachment 2: Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment, was left blank for the identification and itemization of customer-specific facilities and equipment.

9. We conditionally accept the SGIA; however, we reject the reclassification provision as a material deviation that is beyond the scope of the Attachment 2 provision. The proposed provision regarding contingencies related to whether and to what extent the interconnection customer may be eligible for repayment of network upgrades is beyond providing an estimate of the costs for the small generating facility, interconnection facilities, and metering equipment, which is the express purpose of SGIA Attachment 2.

10. We direct SoCal Edison to remove the reclassification provision and refile the SGIA in a compliance filing within 30 days of the date of this order. We also find that SoCal Edison's proposed deviation from the *pro forma* SGIA described in footnote 3 of this order to include new text regarding terms related to failure to achieve commercial operation is reasonable. However, SoCal Edison has not justified the inclusion of duplicate text regarding interest on repayment of network upgrades. As such, we direct SoCal Edison to delete this change to Article 5.3.1.1.

11. We grant SoCal Edison's request for waiver of our prior notice requirement, and allow the agreement to become effective on August 24, 2012, as requested.

The Commission orders:

(A) The SGIA is hereby conditionally accepted, effective August 24, 2012, subject to the revisions required in the compliance filing.

(B) SoCal Edison is hereby directed to submit a revised SGIA within 30 days of the date of this order, as discussed in the body of this order.

¹¹ See Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 425.

¹² *Id.*

(C) The SGIA reclassification provision and the inclusion of duplicate text are hereby rejected, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.