

135 FERC ¶ 61,093
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Southern California Edison Company

Docket No. ER11-2977-000

ORDER CONDITIONALLY ACCEPTING TARIFF REVISIONS AND
DENYING MOTIONS

(Issued April 29, 2011)

1. On March 1, 2011, Southern California Edison Company (SoCal Edison) filed proposed revisions to its wholesale distribution access tariff (WDAT) to combine its small generator interconnection procedures (SGIP)¹ and large generator interconnection procedures (LGIP)² into a new set of generation interconnection procedures (GIP).³ In this order, we conditionally accept the proposed tariff revisions and direct SoCal Edison to submit a compliance filing within 30 days of the issuance of this order.

I. Background

2. SoCal Edison currently provides open access distribution level services, including generator interconnection service pursuant to Order No. 2006 under its WDAT.⁴ SoCal Edison explains that WDAT interconnection requests can and do have network impacts, affecting the California Independent System Operator Corporation (CAISO) controlled

¹ SoCal Edison March 1, 2011 Filing, Docket No. ER11-2977-000 at Attachment G (SoCal Edison Filing).

² *Id.* at Attachment H.

³ *Id.* at Attachment I.

⁴ *See Southern California Edison Co.*, 125 FERC ¶ 61,202 (2008). *See also 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) (Order No. 2006).

grid. SoCal Edison claims 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.⁵ SoCal Edison claims that without integration between the interconnection requests to its distribution system and those of the CAISO controlled grid, the study processes become unworkable.⁶

3. Currently under SoCal Edison's WDAT, large generator interconnection requests are studied utilizing a bi-annual cluster process (CLGIP). In contrast, small generator interconnection requests are processed on an individual basis, and studied serially (sequentially) throughout the year, apart from the CLGIP cluster.⁷

4. SoCal Edison states that interconnection studies are additive in nature and build upon base cases of previously studied interconnection requests whose generating facilities have not yet been constructed, in order to determine the incremental system impacts of new generation. SoCal Edison also states that even a relatively small project can prompt the need for system upgrades that affect the interconnection of other small and large generators electrically related to it. Therefore, according to SoCal Edison, interconnection studies must take into account all generators, regardless of the size of the generator, interconnecting in a particular area.⁸

5. In addition, because under the serial interconnection process a small generator can be deemed to have caused significant upgrades to the SoCal Edison system, there are instances when generators drop out of the queue to avoid the cost responsibility and, as a result can cause the need for restudies and shifting cost assignments among other

⁵ SoCal Edison Filing at 12.

⁶ On October 19, 2010, in Docket No. ER11-1830-000, CAISO filed proposed tariff revisions to its generator interconnection process to combine its LGIP with its SGIP. According to CAISO, the new set of procedures was necessary to address inefficiencies in CAISO's previous process for interconnecting small generators to its transmission system due to an increasing volume of small generator interconnection requests, as well as the conflict between CAISO's study processes for small and large generators. The CAISO's proposed tariff adopted, in most cases, an integrated cluster study process for both small and large generators. In an order issued December 16, 2010, the Commission conditionally accepted CAISO's revised GIP. *See Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223 (2010) (GIP Order).

⁷ SoCal Edison Filing at 9-10.

⁸ *Id.* at 9.

generators remaining in the queue.⁹ SoCal Edison claims that where a small generator is electrically interrelated to a large generator that is being studied in an in-progress cluster study, it is impossible to fully understand what upgrades, if any, are required to interconnect the small generator until the CLGIP cluster study has been completed and the base case updated.¹⁰

6. SoCal Edison states that as a result, the small generator interconnection study must either be delayed until the CLGIP cluster study is complete, or the small generator would be provided with uncertain study results, possibly subject to later revisions to accommodate the completed CLGIP base case. SoCal Edison estimates that it would take, under its current procedures, as long as six to seven years to complete the studies for all of the small generators currently in the SoCal Edison queue. SoCal Edison contends that waiting to perform a small generator's study until the next CLGIP cluster study is completed can interject a significant delay and financial uncertainty to the small generator's project. However, SoCal Edison also notes that moving forward on study results that are uncertain and may change is of little potential value to the small generator.

7. SoCal Edison states that integrating electrically-related interconnection requests, regardless of size, that are submitted in the same cluster application window into a comprehensive interconnection study process will alleviate the current backlogged situation. SoCal Edison claims that the integrated study process would eliminate the delays required to complete interconnection studies based on interdependencies with earlier-queued generation, would provide far greater certainty in study results, and would allow for more reliable cost estimates to be provided to the small generators earlier in the interconnection process.¹¹

II. SoCal Edison Proposal

8. SoCal Edison states that the GIP proposed in the instant filing is necessary to resolve the ongoing problems in interconnecting small generators to its distribution system. SoCal Edison contends that combining the WDAT's SGIP and CLGIP would: (1) create a set of comparable rules for processing its small and large generator interconnection requests; (2) address the processing delays and backlog in the WDAT's SGIP queue;¹² and (3) synchronize SoCal Edison's distribution system interconnection

⁹ *Id.*

¹⁰ *Id.* at 10.

¹¹ *Id.* at 10-11.

¹² SoCal Edison notes that it currently has two hundred thirty seven (237) WDAT interconnection requests, and two hundred twenty four (224) of these are small generator
(continued...)

procedures with the Commission-approved CAISO transmission system interconnection procedures for large and small generators. SoCal Edison explains that it is important to have consistent rules for generator interconnections because many of the interconnection studies under the WDAT must be conducted either jointly by CAISO and SoCal Edison, or in the case of Deliverability Assessments, solely by CAISO. SoCal Edison states that by aligning its interconnection procedures to CAISO's GIP, the instant filing would create a set of comparable rules for processing small and large generator interconnection requests and will address delays and ongoing problems in interconnecting small generators to the SoCal Edison distribution system.

9. In particular, SoCal Edison claims that small generators currently facing significant delays and complications in the interconnection process would see important benefits from the proposed GIP, including: (1) joint study process;¹³ (2) transition option;¹⁴ (3) more equitable cost allocation of upgrades; (4) enhanced deliverability options allowing small generators to obtain full capacity deliverability status for their facilities; (5) faster interconnection timeframe than small generators experience today; (6) introduction of an independent study process for expedited processing of interconnection requests that are electrically independent of other requests; and (7) more small generators qualifying for the fast track process. In addition, according to SoCal Edison, large generators connecting to the SoCal Edison distribution system would benefit from the proposed GIP because they would see an overall reduction in the timeline of interconnection studies as compared to the CLGIP.

10. SoCal Edison contends that its proposed reforms to the GIP follow Commission guidance in Order No. 2006, where the Commission expressly noted that "clustering is the Commission's preferred method for conducting interconnection studies, and should be seriously considered by all transmission providers."¹⁵ SoCal Edison also states that the

interconnection requests. SoCal Edison adds that in September of 2010 alone, it received over fifty (50) small generator interconnection requests.

¹³ The joint study process clusters together small and large generator interconnection requests to avoid study delays and uncertainties.

¹⁴ The transition option provides flexibility for small generators that have progressed to a certain point in the serial process to stay with that process or transition to the cluster study process.

¹⁵ SoCal Edison Filing at 13, citing *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, at P181 (2005), *citing* Order No. 2003, FERC Stats. & Regs. ¶ 31,146, at P 155 (2003).

clustering approach has been very successful for addressing large generator interconnection requests, allowing efficient management of interconnection studies for a large number of interconnection requests while providing tangible benefits such as more equitable cost allocation for upgrades and an earlier look at financial responsibility for network upgrades.¹⁶

11. SoCal Edison adds, however, that since clustering is not always necessary and in some cases an individualized study approach can provide the benefits of expedited consideration, three alternative interconnection processes are offered for qualifying generators. Specifically, in addition to the cluster study process, the GIP would offer an independent study process, a fast track process and the under 10 kW inverter process. The GIP provides that interconnection requests under these processes are not subject to cluster application windows and may be submitted at any time during the year.¹⁷

12. SoCal Edison requests Commission approval of the GIP as just, reasonable and superior to its existing WDAT SGIP and CLGIP, effective as of March 2, 2011, one day after filing. SoCal Edison states that it is important that the GIP is made effective as soon as possible in order to assure that the implementation timelines set forth in the revised WDAT are not jeopardized.¹⁸

III. Notice of Filing, Interventions, and Responsive Pleadings

13. Notice of the SoCal Edison Filing was published in the *Federal Register*,¹⁹ with interventions and protests due on or before March 22, 2011. Timely motions to intervene were filed by Pacific Gas & Electric Company (PG&E), the Clean Coalition, the California Department of Water Resources State Water Project (SWP), San Diego Gas & Electric Company (SDG&E), the Interstate Renewable Energy Council (IREC), SunPower Corporation (SunPower), and CAISO. A motion to consolidate and protest was filed by IREC.²⁰ Comments and a request for waiver and expedited consideration were filed by SunPower. Protests or comments were filed by the Clean Coalition,

¹⁶ *Id.*

¹⁷ *Id.* at 13-14.

¹⁸ *Id.* at 3. We note here that under both the SoCal Edison proposed WDAT GIP and CAISO GIP, March 31, 2011, is scheduled as the closing day of the first joint cluster window for the interconnection study cycle. *See generally Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223, at P 13-15 (2010) (GIP Order).

¹⁹ 76 Fed. Reg. 12,725 (2011).

²⁰ IREC also included a motion to request official notice in its filing.

CAISO and Mr. William Shockney. Finally, the California Public Utilities Commission (CPUC) filed an out-of-time motion to intervene and comments on March 25, 2011.

14. SoCal Edison filed an answer responding to the protests as well as the motion to consolidate on April 6, 2011. SunPower filed an answer to SoCal Edison's answer on April 21, 2011.

IV. Discussion

A. Procedural Matters

15. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,²¹ the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure,²² the Commission will grant the CPUC's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

16. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure²³ prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept the answers filed by SoCal Edison and SunPower because those answers provided information that assisted us in our decision-making process.

17. We note that this order addresses only the contested features of the SoCal Edison Filing. With respect to the proposed tariff revisions that are not contested and not specifically discussed herein, the Commission finds that they are consistent with or superior to SoCal Edison's current Commission-approved generation interconnection procedures, are otherwise just and reasonable and are hereby accepted.

1. Motion to Consolidate

18. IREC requests that the Commission consolidate this proceeding with tariff revisions filed by PG&E in Docket No. ER11-3004-000. IREC states that both dockets involve proposed revisions to the Commission-approved, *pro forma* SGIP and argues that because both dockets seek to address "precisely the same issues,"²⁴ the interest of

²¹ 18 C.F.R. § 385.214 (2010).

²² 18 C.F.R. § 385.214(d) (2010).

²³ 18 C.F.R. § 385.213(a)(2) (2010).

²⁴ IREC March 22, 2011 Motions and Protest, Docket No. ER11-2977-000 at 4 (IREC Protest).

administrative economy is served by reviewing the proposals together. Further, IREC contends that consolidation of these dockets will serve the public interest by helping to ensure consistency in the interconnection processes for small generators in California. IREC claims that a lack of consistency in interconnection procedures may result in the type of tariff “forum shopping” that the Commission sought to address in Order No. 2006.²⁵

19. SoCal Edison contends that IREC’s motion to consolidate is aimed at resolving IREC’s concern with the consistency between the utilities’ service territories.²⁶ SoCal Edison argues that there is no need for the California utilities to have identical WDATs.²⁷ According to SoCal Edison, the Commission has previously affirmed that WDAT differences are justified by the local nature of the service.²⁸ SoCal Edison also contends that the differences between the WDATs are justified because of the unique characteristics of each utility’s distribution system. Finally, SoCal Edison argues that because of the differences between the PG&E and SoCal Edison distribution systems, there are no common issues of fact.²⁹

20. We deny IREC’s motion to consolidate. While we agree that there may be common issues of fact and law in the two proceedings for which IREC seeks consolidation, we conclude that there is no basis for consolidating this proceeding with the PG&E proceeding. The Commission has previously found formal consolidation to be inappropriate in cases where the dockets at issue are not being set for hearing.³⁰ Here, we are able to resolve the issues on the basis of the record and find no need for a hearing. As

²⁵ IREC Protest at 4.

²⁶ SoCal Edison April 6, 2011 Answer to Motions, Comments and Protests at 8. (SoCal Edison Answer).

²⁷ *Id.* at 6-7.

²⁸ *Id.*, citing *Pacific Gas and Elec. Co.*, 88 FERC ¶ 63,007, at 65,060 (1999), *aff’d* 100 FERC ¶ 61,156 (2002).

²⁹ *Id.* at 8.

³⁰ See *Startrans IO, LLC*, 122 FERC ¶ 61,253 (2008) (finding formal consolidation inappropriate where a trial-type evidentiary hearing is not required to resolve common issues of law and fact and where consolidation will not ultimately result in greater administrative efficiency); *Cal. Pub. Utils. Comm’n*, 132 FERC ¶ 61,047 (2010) (finding formal consolidation unnecessary where two related petitions were addressed simultaneously via a single Commission order and no hearing was ordered).

a result, there would be no gains in administrative efficiency from consolidating the proceedings. Moreover, we note that Commission precedent establishes that the Commission retains control over the scope of its proceedings.³¹

2. Motion to Request Official Notice

21. IREC claims that in order to support its protest to the filing, it is necessary to reference the tariff revisions proposed by PG&E in Docket No. ER11-3004-000.³² IREC cites rule 508 of the Commission's Rules of Practice and Procedure³³ and contends that the Commission has previously taken official notice of relevant documents submitted in separate dockets both inside and outside of Commission jurisdiction.³⁴

22. While we could take official notice in this proceeding of the PG&E Filing, we find that this action is unnecessary. By virtue of IREC's inclusion of the entire PG&E Filing as attachments to the IREC Protest, the PG&E Filing is part of the record of this proceeding. Accordingly, we deny IREC's motion.

B. General GIP Issues

23. Clean Coalition and IREC contend that SoCal Edison's proposed GIP does not meet the Commission's standard of review, which requires that modifications to the *pro forma* SGIP and LGIP be "consistent with or superior to" the Commission-approved *pro forma*,³⁵ and "must be supported by arguments explaining how each variation meets the standard."³⁶

³¹ See, e.g., *State of Cal. ex rel. Lockyer v. British Columbia Power Exchange Corp.*, 125 FERC ¶ 61,016, at P 32 (2008).

³² PG&E March 2, 2011 Filing, Docket No. ER11-3004-000 (PG&E Filing).

³³ 18 C.F.R. § 385.508 (2010). Rule 508 states that "[a] presiding officer may take official notice of any matter that may be judicially noticed by the courts of the United States, or any matter about which the Commission, by reason of its functions, is expert."

³⁴ IREC Protest at 5.

³⁵ Clean Coalition Protest at 8-9; IREC Protest at 8 (citing e.g., Order No. 2006 FERC Stats. & Regs. ¶ 31,180 at P 546 (2005); *Pac. Gas & Elec. Co.* 113 FERC ¶ 61,021, at P 1 (2005); *So. Cal. Edison*, 113 FERC ¶ 61,022, at P 5 (2005)).

³⁶ IREC Protest at 8 (citing *So. Cal. Edison*, 113 FERC ¶ 61,022 at P 5).

24. IREC expresses concern regarding inconsistencies between the fast track and independent study processes approved for or proposed by CAISO, PG&E, and SoCal Edison. IREC contends that increased safety, efficiency, and cost-effectiveness result from the use of standardized interconnection procedures. IREC requests that the Commission require jurisdictional utilities in California to agree on consistent language, with stakeholder input, unless variations are justified by actual differences in system design. IREC contends that few of the inconsistencies between PG&E and SoCal Edison's tariff appear to be justified by system differences.³⁷ IREC claims that these inconsistencies may become significant if disputes are brought to the Commission and tariff language is interpreted in a way that results in significant divergence. To rectify this concern, IREC proposes that the Commission-jurisdictional utilities jointly submit a uniform set of interconnection procedures to the Commission by July 2011.³⁸

25. The CPUC, Clean Coalition, and IREC advocate increased transparency in the interconnection process. The CPUC suggests that SoCal Edison post on a monthly basis on its website the status of each interconnection request submitted under the fast track and independent study processes, whether it passed or failed, and the reason why it failed.³⁹ Clean Coalition requests that SoCal Edison provide additional data, such as the number of applications in the queue, the number of applications that SoCal Edison has successfully processed under the current tariff provisions, the time for processing, and the costs of the studies, before major revisions are made to the WDAT. Clean Coalition asserts that this additional data is necessary for stakeholders and the Commission to diagnose problems and/or determine whether the solutions proposed by SoCal Edison are acceptable.⁴⁰ Clean Coalition also asks that the Commission direct SoCal Edison to expand its online queue information and to provide information about each project that fails to qualify for the fast track or independent study processes, as well as post all study results online.⁴¹ IREC requests that the Commission direct SoCal Edison to provide

³⁷ In particular, IREC points to differences in section numbering and the approaches taken by PG&E and SoCal Edison. IREC acknowledges that the intent of the revisions in question appears to achieve the same goal.

³⁸ IREC Protest at 9-11.

³⁹ CPUC Comments at 14.

⁴⁰ Clean Coalition points to the California Solar Initiative Program's data availability as an acceptable model. Clean Coalition Protest at 10.

⁴¹ Clean Coalition Protest at 25.

informational updates on the fast track and independent study processes, similar to those it required of CAISO in the GIP Order.⁴²

26. In its answer, SoCal Edison contends that the proposed revisions, which seek to address its current backlog of electrically-interrelated interconnection requests, are consistent with or superior to the current SGIP and LGIP. SoCal Edison states that it is willing to participate in additional stakeholder processes aimed at further refining and expediting the GIP if experience with the revised procedures indicates that further refinement is warranted.⁴³

Commission Determination

27. As discussed further below, we find that SoCal Edison's revised GIP satisfies the "consistent with or superior to" standard and accept the proposed tariff revisions. SoCal Edison and the protesters correctly identify the applicable standard of review in this proceeding as requiring a finding that SoCal Edison's proposed tariff revisions are consistent with or superior to SoCal Edison's Commission approved *pro forma* tariff provisions. As the Commission explained in the GIP Order, "[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."⁴⁴ We find that SoCal Edison's proposal 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. Additionally, we find that SoCal Edison's proposal will increase the efficiency of the interconnection process while maintaining grid reliability for both distribution and transmission. We also note that commenters and protestors generally agree that SoCal Edison's proposal will introduce beneficial reforms and support SoCal Edison's efforts to streamline the study process for small generators. We also note that no prospective generator has taken issue with SoCal Edison's proposed approach.

28. As noted by all the parties, there has been a significant increase in the number of small generators seeking interconnection under SoCal Edison's WDAT over the past

⁴² IREC Protest at 15-16 (citing GIP Order, 133 FERC ¶ 61,223 at P 27 (requiring CAISO to provide informational updates in its LGIP quarterly reports, including the "size and type of generator, the number of requests that did not pass the screens, and which of the screens the developer failed.")).

⁴³ SoCal Edison Answer at 12.

⁴⁴ GIP Order, 133 FERC ¶ 61,223 at P 78.

three years. The inefficiencies inherent in the current SGIP's serial study process have resulted in a significant backlog of interconnection requests for small generators, suggesting the need for reform. CAISO's recent combination of its SGIP and LGIP into an integrated GIP also prompted SoCal Edison to adopt a similar GIP methodology. We find that coordinating SoCal Edison's and CAISO's interconnection procedures will improve efficiency by creating a framework through which SoCal Edison and CAISO can simultaneously, and in a more coordinated manner, evaluate impacts to their respective systems. Furthermore, we find that SoCal Edison's proposed GIP will expedite the process for small generator interconnection and help resolve the current backlog of small generator interconnection requests. For these reasons, as well as those discussed below, we find the proposed GIP to be consistent with or superior to SoCal Edison's current SGIP and LGIP.

29. We reject IREC's request to require uniform interconnection procedures for all Commission-jurisdictional utilities in California. The Commission has previously affirmed that "[w]here the Companies' WDT's differ, the differences are justified by the fundamentally local nature of WDT service."⁴⁵ When the California utilities reformed their wholesale distribution tariffs to implement interconnection procedures, each utility proposed and supported its own deviations from the Commission's *pro forma* SGIP and LGIP, and the Commission accepted those filings.⁴⁶ As the utilities' existing SGIPs are not identical, we see no reason to require uniformity in this proceeding. Further, despite IREC's claims that consistency between interconnection procedures is needed now to prevent confusion and inefficiency, we find that IREC provides no evidence that the existing differences have been a problem. In addition, we find that claims that inconsistencies will lead to future conflicts amount to little more than unsupported speculation. We note that differences between the current SoCal Edison and PG&E SGIP programs have existed for years and IREC has failed to provide any evidence that these differences have become an issue of concern for any interconnection requester. Therefore, we will not require the California utilities to engage in a process to develop identical tariff provisions.

30. We reject Clean Coalition's argument that interconnection procedure reform at the distribution level should be further delayed, pending the collection of additional data on the current process. Clean Coalition has presented no evidence in this proceeding to persuade us that SoCal Edison's proposed revisions, which largely mirror the Commission-approved CAISO GIP, would have a detrimental impact on small

⁴⁵ *Pacific Gas and Elec. Co.*, 88 FERC ¶ 63,007, at 65,060, *aff'd* 100 FERC ¶ 61,156 (2002).

⁴⁶ *San Diego Gas & Elec. Co.*, 113 FERC ¶ 61,027 (2005); *So. Cal. Edison Co.*, 113 FERC ¶ 61,022 (2005); and *So. Cal. Edison Co.*, 114 FERC ¶ 61,197 (2006).

generators. To the contrary, we find that further delay in implementing the relaxed fast track process and new independent study process as options for small generators may instead exacerbate the existing backlog of interconnection requests.

31. While we find that SoCal Edison's revised GIP improves upon the current SGIP, we agree with parties' concerns regarding the need for a transparent interconnection process. Further, because the combined cluster study process, the independent study process, and the modified fast track process are new, we find that increased transparency into SoCal Edison's interconnection process will ensure customers' rights. Thus, we will require SoCal Edison to post on its website, on a monthly basis for the 24 months following issuance of this order, information detailing the results of the new interconnection procedures. Specifically, SoCal Edison should include information about the number of projects requesting interconnection and whether the projects are being evaluated under the cluster study, independent study, or fast track process; the outcome of those requests; the complete length of time for recently completed interconnection studies (from initial application through final approval); and the reason for any rejections of projects requesting independent study process or fast track treatment. This information will improve the transparency of SoCal Edison's interconnection process, which is in the best interest of all market participants.⁴⁷

32. Finally, we find that while the current GIP proposal adequately balances the interests of small generators with the need to reform the SGIP serial process, the protester's suggestions of adding an additional cluster window or shortening the cluster study process for small generators could be helpful. SoCal Edison has expressed a willingness to continue stakeholder processes.⁴⁸ Therefore, we encourage SoCal Edison to continue working with stakeholders to address concerns and develop further modifications as necessary.

C. The Cluster Study Process

33. The CPUC, Clean Coalition, and IREC argue that SoCal Edison's proposed cluster study process is too long, estimating that the process will take between 510 to 690 days to complete, and further assert that SoCal Edison should conduct more than one cluster study per year.⁴⁹

⁴⁷ GIP Order, 133 FERC ¶ 61,223 at 97.

⁴⁸ SoCal Edison Answer at 12.

⁴⁹ CPUC March 25, 2011 Comments, Docket No. ER11-2977-000 at 5, 11-12 (CPUC Comments); Clean Coalition March 23, 2011 Protest, Docket No. ER11-2977-000 at 4-5, 11-13; IREC Protest at 13-15.

34. The CPUC contends that the timeline under the proposed cluster study process is far longer than the expectation under the current serial study process. The CPUC asserts that increasing the study timeline puts small generators at a disadvantage and possibly discriminates against small generators in favor of large generators. The CPUC also claims that although the proposed cluster study process will benefit small generators by providing more certainty around the timeline, it is still too lengthy and undermines the goals and objectives of the CPUC's renewable distributed generation programs, most of which require an 18-month on-line date.

35. Furthermore, the CPUC claims that SoCal Edison's plan to have the Phase I cluster study results available seven months after the cluster study window closes does not alleviate the concerns regarding the timeline. According to the CPUC, SoCal Edison's reliance on earlier cost certainty as a positive feature which offsets the negative aspect of the longer timeline is misplaced. The CPUC notes that information provided by PG&E determined that the cost accuracy of these studies is only plus or minus 50 percent. Thus, while SoCal Edison claims that the Phase I study results will provide generators with cost certainty needed to move their projects forward, the CPUC contends that the cost uncertainty associated with the study results will make it difficult for generators participating in the CPUC's generation procurement programs to select an accurate bid price, thereby potentially increasing the price paid by consumers.

36. Finally, the CPUC contends that because SoCal Edison proposes only one cluster study per year, small generators that do not qualify for the fast track or independent study processes may have to wait an additional year to enter the cluster study process. The CPUC asserts that this may result in a limited number of small generators that can participate in its renewable procurement programs. Therefore, the CPUC requests that the Commission require SoCal Edison to work with CAISO and other stakeholders to further streamline the cluster study process and consider the possibility of two cluster studies per year.⁵⁰

37. Clean Coalition argues that the cluster study process is too long for small or new developers to hold onto projects without knowing the interconnection costs. According to Clean Coalition, unless the Commission orders improvements to the process, this extended timeline may force smaller developers out of the marketplace because the viability of their projects often rests on keeping interconnection costs low. For this reason, small developers must know the costs close to the beginning of the development cycle, not the end. The Clean Coalition contends that SoCal Edison's proposal obviates

⁵⁰ CPUC Comments at 11-13.

the benefits of the SGIP and therefore unduly discriminates against small developers and violates Order No. 890.⁵¹

38. Clean Coalition also argues that SoCal Edison must provide substantial additional data and analysis to justify the proposed changes, particularly in light of the fact that SoCal Edison develops its own renewable energy projects in competition with small developers. Clean Coalition believes that the entire cluster study process could be reduced to about six months with a combination of software improvements, policy changes and additional staff. Clean Coalition urges the Commission to require SoCal Edison to conduct an independent audit of the interconnection timeline and submit a report to the Commission detailing the findings. If the Commission does not direct SoCal Edison to hold an independent audit, Clean Coalition requests that the Commission require SoCal Edison to appoint an independent evaluator for all aspects of SoCal Edison's interconnection process who will submit regular analysis and commentary to the Commission and stakeholders.⁵²

39. Clean Coalition also complains that the proposed GIP does not objectively describe how SoCal Edison will determine cluster boundaries on its distribution grid. Clean Coalition asserts that establishing objective criteria for determining cluster boundaries is important because the boundaries of each cluster will affect how many projects are in a cluster, which projects will share in interconnection costs, and whether a project can proceed in the independent study process as a "cluster of one." Clean Coalition objects to SoCal Edison's failure to provide any objective criteria for determining the boundaries of each distribution grid cluster. Thus, Clean Coalition urges the Commission to require SoCal Edison to incorporate objective criteria for determining cluster boundaries into the tariff that do not automatically result in a single cluster for all distribution grid interconnection requests.⁵³

40. IREC argues that although the timeline under the proposed cluster study process is likely faster than under the clogged serial queue, it is not as fast as it could be and is not sufficient to meet the demands of California's 33 percent renewables target. Thus, IREC requests that the Commission convene a technical conference within 60 days of issuing the order in this proceeding for the purpose of finding a way for Commission-jurisdictional utilities in California to shorten the cluster study process.⁵⁴

⁵¹ Clean Coalition Protest at 5.

⁵² *Id.* at 11-13.

⁵³ *Id.* at 13.

⁵⁴ IREC Protest at 15.

41. Mr. William Shockney is concerned that there will be no cluster application window for 2011 if the Commission approves the filing after March 31, 2011, or if the Commission approves the filing without requiring SoCal Edison to allow for another cluster application window in 2011.

42. In its answer, SoCal Edison does not dispute that the timelines in the proposed GIP are longer than those contemplated by the serial study process, but SoCal Edison contends that the intervenors ignore the fact that SoCal Edison cannot meet the current SGIP deadlines.⁵⁵ Therefore, according to SoCal Edison, using the SGIP study deadlines to evaluate the proposed GIP is not appropriate or meaningful.

43. SoCal Edison also asserts that the Clean Coalition's claim that its proposed GIP timelines could compel small developers to drop out of the marketplace, and because SoCal Edison also has a generation development arm, its GIP proposal should be subject to a higher standard of review, is unfounded. SoCal Edison states that its interest is in ensuring that renewable energy, which nearly all of the small generators in SoCal Edison's queue are, is plentiful in order to meet the California renewable portfolio standards. In addition, SoCal Edison states that its timelines are consistent with CAISO's, and its own generation development arm will have to adhere to the same GIP timelines and procedures as any other generator.⁵⁶

44. In response to the CPUC's concern that SoCal Edison's GIP timelines are not compatible with the CPUC's renewable procurement program timelines, SoCal Edison states that it appreciates the CPUC's concern and supports and participates in various CPUC renewable programs but cannot tailor its interconnection procedures to these programs to the exclusion of other concerns. SoCal Edison states that it sees no reason why an interconnection customer cannot target participation in a CPUC program and set its proposed in-service date with the cluster study process or independent study process in mind, such that the developer will obtain the results of the Phase I study or interconnection system impact study cost estimate before the developer bids into any procurement auction. SoCal Edison adds that there is nothing barring a generation facility from bidding into multiple auctions.

45. SoCal Edison states that several stakeholders objected to the overall length of the proposed GIP cluster study process. In response to IREC's, the Clean Coalition's and the CPUC's assertion that the GIP timelines should be shortened and that there should be two cluster studies per year, SoCal Edison contends that while the GIP timelines are longer than the SGIP serial study process "on paper," it would take six to seven years to process

⁵⁵ SoCal Edison Answer at 9.

⁵⁶ *Id.* at 10-11.

studies for the current interconnection queue under the serial study process; thus, the proposed GIP cluster study timelines are in reality much faster.⁵⁷ SoCal Edison claims that the proposed timelines are as compressed as possible, given the persistently large number of interconnection requests in its territory.

46. SoCal Edison objects to the request from IREC and Clean Coalition for further studies, stakeholder processes and audits. SoCal Edison contends that IREC and Clean Coalition have no pending interconnection requests that would be delayed as a result of responding to these demands, but the consequences for actual generators would be substantial because SoCal Edison would have to divert engineering and administrative resources away from the actual interconnection process.⁵⁸

47. In response to the Clean Coalition asking the Commission to require SoCal Edison to include objective criteria for determining cluster boundaries, SoCal Edison states that it cannot determine what criteria the Clean Coalition would propose or what could be workable. SoCal Edison asserts that cluster boundaries cannot be fixed because electrical independence depends on other projects in the queue. SoCal Edison states that it understands the desire to know the most ideal locations for distributed generation and will continue to improve access to this information.⁵⁹

48. SoCal Edison states that it would fully participate in any stakeholder process at the CAISO level or through the Commission to determine what additional improvements could be made to the GIP. SoCal Edison notes that CAISO has already begun a stakeholder process known as GIP2 in which SoCal Edison is actively participating, and which SoCal Edison believes is the appropriate forum to address requests such as the CPUC's for two annual cluster studies.

49. With regard to its electrical independence test, SoCal Edison states that it uses the same test of electrical independence as CAISO with regard to the CAISO transmission grid. SoCal Edison states that with regard to its distribution system, it uses its own electrical independence test because its distribution system is more fluid than the transmission grid, and its arrangement can change more frequently. SoCal Edison states that the electrical independence test is based upon whether an interconnection study

⁵⁷ *Id.* at 9-10.

⁵⁸ *Id.* at 4-5.

⁵⁹ *Id.* at 13-15.

requires the completion of any studies of earlier-queued generation. If it does, it is not eligible for the independent system process.⁶⁰

Commission Determination

50. We accept SoCal Edison's proposal to establish a cluster study process for small and large generators that do not qualify for the three alternative processes as consistent with or superior to the current SGIP and LGIP. We find that coordinating the cluster study processes for interconnection requests to SoCal Edison's distribution and SoCal Edison's CAISO-controlled transmission systems will achieve greater efficiency and effectively manage network impacts on both systems.

51. While shorter timelines for the processing of interconnection requests would be desirable, SoCal Edison's proposed GIP represents a substantial improvement over results under current interconnection procedures. In addition, we find that SoCal Edison's proposal to cluster all electrically-interrelated projects will allow SoCal Edison to efficiently eliminate the current backlog of interconnection requests and work towards achieving California's 33 percent renewable portfolio standard goal, as discussed below.

52. With respect to parties' objections to the length of the combined cluster study process, as compared to the current SGIP serial study process, we find that such comparisons are misplaced. We find that this comparison fails to take into account the backlog that occurs under the serial study process when multiple interconnection requests are electrically related to one another. When study results and timelines become interdependent, each project in the queue must wait for the results of projects ahead of it in the queue in order to establish an accurate base case for the studies. Due to the potential for repeated delays caused by the effects of withdrawals and re-studies, the Commission has previously determined that the cluster approach is a more efficient process.⁶¹ Moreover, the parties' comparisons to the serial study process are flawed because such comparisons are based on how the serial study process operates on paper, without considering the impact of the current backlog on the actual time required to study projects under the serial study approach.

53. We acknowledge the CPUC's concerns regarding how SoCal Edison's revised GIP will interact with its various renewable resource initiatives; however, the CPUC has

⁶⁰ SoCal Edison Answer at 13-14.

⁶¹ See, e.g., GIP Order, 133 FERC ¶ 61,223 at P 69-70. See also *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 181, citing Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 155.

not persuaded us that SoCal Edison's proposal to implement a combined cluster study process discriminates against small generators and will, thus, undermine the goals of California's renewable programs and competitive procurement processes. Based on the circumstances presented by SoCal Edison, we are convinced that all small generators in a cluster will benefit from being studied in a cluster, as opposed to being studied serially, as they will not have to wait for SoCal Edison to evaluate all of the preceding projects in the queue. We agree with SoCal Edison that the best way to expeditiously evaluate these interrelated projects is to study them in clusters, which should enable SoCal Edison to clear the current backlog much sooner than the current serial process would permit. The sooner that SoCal Edison can evaluate these projects, the quicker they can enter the CPUC's various procurement processes. Thus, we find that the combined cluster study process proposed by SoCal Edison will provide small generators as a whole with a faster, more efficient mechanism to achieve interconnection to the SoCal Edison system, that is consistent with or superior to the current serial study process.

54. We note that SoCal Edison's proposal creates a new independent study process, which is tailored specifically to electrically-independent generators that SoCal Edison does not need to study in a cluster, making the process more efficient. The revised GIP also expands the applicability of the fast track study process so that more small generators will be able to successfully interconnect in a timely manner. We find that these proposed alternative study processes will help small generators interconnect to the SoCal Edison system on a timeline that facilitates participation in the CPUC's procurement programs, to the extent that they do not warrant cluster study. Therefore, we disagree with the CPUC's contention that SoCal Edison's GIP proposal will negatively impact California's ability to meet its renewable portfolio standard and renewable distributed generation goals on time. Instead, we find that the revised GIP offers opportunities for generators of all sizes to achieve interconnection faster than would be possible under the current serial process.

55. We also dismiss Clean Coalition's argument regarding SoCal Edison's lack of objective criteria for determining cluster study boundaries. We believe that Clean Coalition's proposal to incorporate such criteria is not feasible because each cluster is formed based on the other projects that are in the queue when SoCal Edison commences the cluster study process. Thus, the manner in which SoCal Edison clusters interconnection requests will vary each year on a case-by-case basis depending on how that year's projects are electrically-interrelated and is not susceptible to the incorporation of objective tariff criteria. We do, however, agree with protestors' concerns regarding the transparency of SoCal Edison's cluster study process. As discussed above, we direct SoCal Edison to post information online regarding the functioning of its revised interconnection procedures. We find that posting this information online will provide interconnection customers with transparent access to how SoCal Edison determines cluster boundaries and will help customers choose appropriate interconnection sites.

56. We also approve SoCal Edison's proposal to conduct one cluster study each year, consistent with CAISO's GIP. We find that coordination with the CAISO cluster study process, which occurs once per year, is an improvement and promotes efficiency due to the network impacts that SoCal Edison's interconnection requests may cause. SoCal Edison has persuaded us that experience with the combined cluster study process is likely necessary to identify further potential refinements to the process. Therefore, we find that it is premature at this time to require SoCal Edison to further revise its GIP, and reject protestors' requests for technical conference, independent evaluation, and independent audit of the cluster study process.

D. The Independent Study Process

57. Clean Coalition questions whether the proposed independent study process provides a viable alternative to the cluster study process due to the lack of objective criteria in the tariff. Specifically, Clean Coalition asserts that because the grid itself is a physical and objective system, developers should be able to refer to objective criteria rather than SoCal Edison's undefined "engineering judgment." Clean Coalition argues that, as proposed, the GIP automatically results in a single cluster for all distribution grid interconnection requests, thereby eliminating the possibility of proceeding under the independent study process. Clean Coalition also contends that because the independent study process is a new process, the burden is on SoCal Edison to provide evidence that the independent study process is a viable and accessible procedure.

58. CAISO recommends one change to the tariff language proposed by SoCal Edison. SoCal Edison's WDAT section 5.5.1, provides for CAISO's input into SoCal Edison's electrical independence evaluation. CAISO recommends an initial consultation between CAISO and SoCal Edison in conjunction with SoCal Edison's exercise of judgment as to whether the independent study process might require the need for network upgrades to the CAISO grid. According to CAISO, this consultation could save time should CAISO determine that no network upgrades would be required without having to run the formal studies. CAISO also suggests amending the language of this section to clarify that the participating transmission owner, and not CAISO, is responsible for short circuit duty tests. CAISO suggests the following amendment to section 5.5.1:

If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering judgment of the Distribution Provider in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO perform the incremental power flow and aggregate power flow tests as set forth in Section 4.2 of Appendix Y to the ISO Tariff.

59. In response to the Clean Coalition's claim that SoCal Edison has no data to show the viability of the independent study process, SoCal Edison states that this process is entirely new so it would be difficult to provide such data.⁶² SoCal Edison also claims that it cannot use the same electrical independence test as CAISO for its distribution system because of significant differences between the two systems. SoCal Edison also contends that an evaluation of electrical independence requires knowledge of the electrical arrangement of the system and reconfigurations based on power flows in the distribution system.⁶³

60. Finally in its answer, SoCal Edison notes that it needs to correct section 4.7.1 and agrees to modify section 5.5.1 to address the CAISO's concerns.⁶⁴

Commission Determination

61. We accept SoCal Edison's proposal to establish an independent study process in the revised GIP. We find that this additional alternative study approach will allow SoCal Edison further flexibility in expediting the GIP study process and help reduce the current interconnection request backlog by isolating projects that are independent from others in the interconnection queue. We disagree with protestors that the proposed tariff revisions lack sufficient detail regarding the evaluation of independent study process requests. Projects submitted to SoCal Edison's independent study process must pass two screens: (1) a determination of electrical independence, conducted by CAISO, pursuant to CAISO's objective, Commission-approved criteria;⁶⁵ and (2) an evaluation of electrical independence, conducted by SoCal Edison. We find that SoCal Edison's evaluation of electrical independence, which relies on engineering judgment, is just and reasonable, given the purpose of the independent study process. We agree with SoCal Edison that incorporating additional, objective study criteria would defeat the purpose of the expedited independent study process, which is designed to obviate the need for additional study due to the project's demonstration of electrical independence. Therefore, we find that SoCal Edison's proposed method of evaluating projects submitted

⁶² SoCal Edison Answer at 13.

⁶³ *Id.* at 14.

⁶⁴ *Id.* at 24-26.

⁶⁵ The Commission approved CAISO's electrical independence criteria in the GIP Order, 133 FERC ¶ 61,223 at P 93-95.

to the independent study process is sufficient. We reject the requests for additional criteria.⁶⁶

62. We note, however, that this is the first time that SoCal Edison will implement the independent study process; therefore, as discussed previously, we direct SoCal Edison to post the results of the independent study process online on a monthly basis in order to increase GIP transparency. We find that the information included in the monthly postings should alleviate protestors' concerns about objectivity and timelines by providing all stakeholders with transparent access to the results of the independent study process. Accordingly, we accept SoCal Edison's proposal as consistent with or superior to the current WDAT, subject to SoCal Edison's monthly online posting of relevant study process information for 24 months following the issuance of this order.

63. Finally, because SoCal Edison has agreed to revise certain sections to reflect proposed modifications by CAISO, and because we find those proposed revisions to be just and reasonable, we direct SoCal Edison to submit a compliance filing incorporating CAISO's proposed tariff revisions to section 5.5.1 and the correction to section 4.7.1 within 30 days of the date of this order.

E. The Fast Track Process

1. 2 Megawatt Limit

64. The current fast track process in the WDAT SGIP provides an expedited route to an interconnection agreement for generation facilities no larger than 2 megawatts (MW). It allows eligible generating facilities that pass the screening process to avoid interconnection studies, allowing a faster path to an interconnection agreement than would be possible under the independent study process or cluster study process.

65. SoCal Edison points out that in the *pro forma* SGIP, the Commission offered the fast track process only to generators under 2 MWs in size. SoCal Edison adds that in the WDAT GIP stakeholder process requests to raise the size limit to 5 MWs were made by stakeholders believing that the fast track screens would protect the distribution system by filtering out projects larger than 2 MW. SoCal Edison agrees that the screens are the limiting factor in determining fast track eligibility, particularly at voltages of 16 kV and below. SoCal Edison states, however, that for voltage circuits greater than 16 kV, the screens would not necessarily be able to filter out projects larger than 2 MWs due to higher average peak loads on higher voltage circuits.

⁶⁶ We note that if a party believes that SoCal Edison has discriminated in conducting the electrical independence test, that party can bring a complaint under § 206 of the Federal Power Act.

66. SoCal Edison states that the majority of its distribution circuits that are 16 kV and greater are long-distance circuits in rural areas; as such, SoCal Edison believes that there could be substantial impacts to safety and reliability caused by the injection into SoCal Edison's transmission system of generation greater than 2 MWs without any interconnection studies to assess the impacts. Although SoCal Edison supports generators' desire for a faster and less costly interconnection process, SoCal Edison states that it must also maintain the safety and reliability of the electric system.

67. SoCal Edison further explains that for its highest level distribution voltages, even if a generator between 2 MWs and 5 MWs sought to interconnect to a 55 kV, 66 kV, or 115 kV facility, the generator could not do so under the fast track process because facilities at those voltage levels require SoCal Edison to perform a protection analysis. Such analysis identifies the protection and communication systems needed to interconnect a substation into the sub-transmission system. Thus, while an increased fast track threshold may be viable for other systems, SoCal Edison does not propose to alter the 2 MW limit in its GIP.

68. While the CPUC supports the fast track process, it objects to SoCal Edison's failure to increase the fast track limit from 2 MW to 5 MW. According to the CPUC, all projects will have to pass each fast track screen, which should provide sufficient information to determine which projects can be safely interconnected to SoCal Edison's distribution grid. The CPUC also contends that the increase to a 5 MW project size threshold will allow more projects to qualify for fast track, thus reducing the time and expense of the interconnection study process.

69. The CPUC also claims that the difference between SoCal Edison's fast track process and that of CAISO and PG&E, both of which establish a 5 MW limit, may lead to market confusion, uncertainty and inefficiencies. Furthermore, the CPUC disputes SoCal Edison's contention that it cannot safely interconnect projects up to 5 MW to circuits higher than 16 kV due to the distance of its circuits in rural areas. According to the CPUC, it is unclear why this is an issue for SoCal Edison but not for PG&E or CAISO since PG&E has 16 kV circuits in rural areas and CAISO controls high voltage transmission. The CPUC contends that SoCal Edison's claim is inconsistent with the conclusions of PG&E and CAISO.

70. IREC requests that the Commission require SoCal Edison to raise the generator size limit on its fast track process from 2 MW to 5 MW to be compatible with the limits approved for CAISO and proposed by PG&E. IREC argues that this will discourage developers siting generation projects in the 2 to 5 MW range from "forum shopping" to avoid the expense of a cluster study.⁶⁷

⁶⁷ IREC at 12.

71. Clean Coalition also objects to SoCal Edison's failure to expand the fast track from 2 MW to 5 MW. According to Clean Coalition, SoCal Edison failed to offer a reasonable justification for the 2 MW limit and refused to share its analysis with stakeholders. Clean Coalition argues that SoCal Edison should be able to expand the fast track to far larger projects because, unlike PG&E, SoCal Edison controls lines up to 220 kV. In contrast, PG&E's lines 60 kV and above are controlled by CAISO. Clean Coalition requests that the Commission direct SoCal Edison to bring its fast track in line with market standards or explain in detail why SoCal Edison cannot increase the threshold to 5 MW. Clean Coalition also asks that SoCal Edison be compelled to present the analysis that led to the 2 MW limit.

72. In response to IREC, Clean Coalition, and the CPUC's objections to the fast track process 2 MW eligibility threshold, SoCal Edison argues that it is fast track screens that are the determining factors as to whether a proposed generating facility is eligible for the fast track process. Therefore, SoCal Edison argues, the fact that PG&E and CAISO raised their megawatt threshold does not mean that any additional generators between 2 and 4 MW will actually qualify for their respective fast track processes. SoCal Edison reasons that, on the basis of its engineering judgment and experience of its own system, it has determined that it must comply with the FERC *pro forma* SGIP requirements establishing the 2 MW threshold. SoCal Edison further argues that as a FERC-approved standard, a 2 MW threshold is *de facto* just and reasonable, and it is not necessary for SoCal Edison to prove that it is superior to a 5 MW limit.⁶⁸

73. SoCal Edison notes that it provided extensive testimony on why the 2 MW limit is appropriate for its distribution system, while the intervenors provided no factual support for their contention that the SoCal Edison proposal should mirror PG&E and CAISO's 5 MW threshold. SoCal Edison states that even with the 2 MW threshold, more than 50 interconnection requests on SoCal Edison's distribution system have qualified for the fast track process since its implementation, demonstrating that the *pro forma* fast track screening process is working as designed.⁶⁹

Commission Determination

74. We accept SoCal Edison's proposal to continue its fast track process using the 2 MW threshold established by Order No. 2006.⁷⁰ We reject comments suggesting that

⁶⁸ SoCal Edison Answer at 16.

⁶⁹ *Id.* at 18.

⁷⁰ *See generally* WDAT GIP section 6, Fast Track Process; *See also* WDAT GIP section 1, Applicability for qualifying factors of Fast Track Process.

fast track screens do not accurately reflect the true effect of the interconnection on safety and reliability as unfounded. The Commission has determined that the 2 MW threshold for certified generators is a critical eligibility criterion for using the screens, as it helps ensure the safety and reliability of the transmission provider's electric system. SoCal Edison has stated that there could be substantial impacts to safety and reliability caused by the injection of generation greater than 2 MW, without any interconnection studies to assess the impacts. None of the protesters has provided evidence that disputes SoCal Edison's testimony regarding safety and reliability concerns.⁷¹ Our review indicates that SoCal Edison's reliability concerns justify adherence to the 2 MW limit. This finding is consistent with findings in Order No. 2006 where the 2 MW threshold was vetted by transmission providers, small generator developers, and representatives of state regulators alike. Order No. 2006 does not include any screens for Small Generating Facilities larger than 2 MW. Furthermore, the protesters arguments for the 5 MW threshold are based upon their position that the PG&E and SoCal Edison processes must be identical. As stated previously, we find that the protesters contention is contrary to Commission precedent and fails to take into account the differences between SoCal Edison's and PG&E's distribution systems.

75. Accordingly, we find that SoCal Edison's 2 MW threshold is consistent with fast track screen thresholds in Order No. 2006 where SoCal Edison has determined that only a request to interconnect a certified small generating facility no larger than 2 MW could be evaluated using the screens.⁷²

2. Revisions to Fast Track Process

76. SoCal Edison states that the GIP proposes to increase accessibility to the fast track process. One modification of the fast track process proposed by SoCal Edison is the revision of screen ten, which currently prevents small generators from participating in the fast track process if those generators require construction of interconnection facilities on the SoCal Edison system to complete their interconnection request. SoCal Edison asserts that in most cases it would need to construct some type of facilities to be able to electrically interconnect a proposed generator to the distribution system; but SoCal Edison does not believe that the construction of facilities should, in all instances, preclude a generator from participating in the fast track process.

⁷¹See SoCal Edison Filing, Exh. SCE-3, prepared direct testimony of Rogelio Salas, pp. 3-5.

⁷² See Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 168-173.

77. SoCal Edison further states that the ability of a generating project to pass the first nine fast track screens,⁷³ which are not being revised in any way when incorporated from the WDAT SGIP into the GIP, signifies that the proposed project will have an insignificant effect on the SoCal Edison distribution system, and that SoCal Edison can determine the interconnection requirements necessary to interconnect the project safely and reliably without additional studies. Therefore, according to SoCal Edison, denying fast track approval and, thereby forcing projects to undergo the study process simply because they require the construction of some interconnection facilities is an unnecessary burden, in terms of time and money, on interconnection applicants, and on the SoCal Edison study process. SoCal Edison states that unless fast track screen ten is revised, certain generating projects would be excluded from the fast track process simply because they require construction of some facilities to interconnect to the distribution system.

78. Therefore, SoCal Edison proposes to modify screen ten to state that no construction of facilities by the distribution provider, of network upgrades on the CAISO grid, or of distribution upgrades on the distribution system other than those upgrades solely attributable to the generating facility shall be required to accommodate the generating facility. SoCal Edison states that this revision does not in any way compromise the safety or reliability of the SoCal Edison system. SoCal Edison also states that the revision should allow a higher number of interconnection requests that may require interconnection facilities or distribution or network upgrades for which the interconnection customer is solely responsible, to pass the fast track screens for the first time.

79. SoCal Edison states that it is also proposing additional language to several sections of the fast track process to clarify that if a generator is allowed to interconnect under the fast track process, should subsequent engineering work (such as final design and engineering, operational studies or other engineering or pre-construction work) determine that there is a need for interconnection facilities, distribution upgrades or network upgrades caused by the proposed interconnection, the generator shall be responsible for the costs of such additional facilities.⁷⁴

80. SoCal Edison states that the clarification is necessary since the fast track process allows generators to interconnect without any studies, and thus it is not always possible to determine, without such studies, all of the costs attributable to a particular interconnection request prior to execution of the interconnection agreement. SoCal Edison states that the clarification simply assures that interconnection customers pay all

⁷³ See generally WDAT GIP section 6.5, Screens.

⁷⁴ See GIP sections 6.6, 6.7, and 6.11.5 regarding fast track screens and supplemental review.

of the actual costs associated with interconnecting their facilities to the distribution system. SoCal Edison states that it is also proposing several miscellaneous revisions to the fast track process regarding non-refundability of deposits, timelines and withdrawal procedures.

81. The CPUC, Clean Coalition, and IREC argue that SoCal Edison should modify its fast track review screens. The CPUC argues that for the sake of consistency between CAISO and PG&E, screen ten, which limits the fast track process to those generators that do not require construction of interconnection facilities on the SoCal Edison system, should be eliminated. The CPUC states that it requires investor owned utilities to use consistent rules and language for interconnection procedures and believes the same principle should apply here.⁷⁵ Clean Coalition also contends that SoCal Edison should remove screen ten, arguing that the fast track process should be available for projects that have minimal impact on the grid, instead of no impact, as screen ten requires.

82. The CPUC, Clean Coalition, and IREC also assert that SoCal Edison should work with stakeholders to revise screen two,⁷⁶ which limits the amount of generation on a radial circuit to 15 percent of the peak load of the circuit. The CPUC claims that screen two, the 15 percent of peak load screen is no longer a reliable indicator of which projects can safely interconnect to the system, citing a pilot study which analyzed part of SoCal Edison's system.⁷⁷ Further, The CPUC argues that screen two acts as a barrier to small generators requesting interconnection through the fast track process, especially in rural areas. Finally, in addition to requesting that SoCal Edison revise screen two through a stakeholder process, the CPUC requests that, if approved, SoCal Edison use the cluster

⁷⁵ CPUC Comments at 14 (citing CPUC Rule 21).

⁷⁶ *See generally* GIP section 6.5, Screens. *See also* subsection 6.5.2 which states that for interconnection of a proposed Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15% of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

⁷⁷ CPUC Comments at 15 (citing a study by New Power Technologies, *available at: www.cpuc.ca.gov/ReDEC*). According to the CPUC, this study did not use the 15% peak load screen, but rather a new set of screens. This study concluded that many sites could interconnect projects of up to 5 MW. The study also found that there are some sites that cannot connect any projects, even though a small generator of up to 2 MW would pass a 15% of peak load screen.

studies to study the effects of high penetration distributed generation on distribution circuits and use the findings to determine a better set of fast track screens.

83. Clean Coalition requests that the Commission direct SoCal Edison to work with the CPUC and other California utilities to analyze possible changes to fast track screen two, asserting that solar photovoltaic facilities are peak resources that could be accommodated at higher percentages than the conservative 15 percent used by the screen. Similarly, IREC asserts that the 15 percent peak load screen may be more stringent than necessary to provide sufficient protection to the grid and requests that the Commission direct Commission-jurisdictional utilities in California to begin an expedited review process to determine whether the fast track screens can be updated.⁷⁸

84. Further, Clean Coalition asserts that the proposed fast track process is unclear as to whether any project that requires additional facilities, including interconnection facilities, will be subject to a supplemental review. Clean Coalition argues that, if so, all developers applying under the fast track process will be affected because every project will necessitate at least interconnection facilities. The only alternative to the supplemental review, according to Clean Coalition, is to be forced into either the independent study process or cluster process, thereby incurring additional expense and delay and leading to the type of backlog experienced under the current SGIP. Thus, Clean Coalition contends that SoCal Edison's proposed revisions to the fast track process will impose onerous requirements that will make the fast track process virtually unusable.⁷⁹

85. Clean Coalition also claims that, as proposed, the fast track process includes a "poison pill" that exposes interconnection customers to potentially unlimited cost liabilities, with no temporal limit on the cost liability. Moreover, Clean Coalition asserts that the language at issue was added after conclusion of the stakeholder process. Specifically, Clean Coalition points to proposed sections 6.6, 6.7, and 6.11.5, which state that the interconnection customer retains financial responsibility for upgrades found to be necessary by future engineering or study work that are attributable to the interconnection request. Clean Coalition complains that the large majority of fast track interconnection customers will be unwilling to accept uncapped cost liabilities in perpetuity and it is unreasonable for SoCal Edison to expect them to. Clean Coalition urges the Commission to require SoCal Edison to remove this language and to limit fast track interconnection

⁷⁸ IREC Protest at 12.

⁷⁹ Clean Coalition Comments at 15-19.

cost liability to those costs described in the supplemental review and facilities study, or in the interconnection agreement.⁸⁰

86. SoCal Edison states that its proposed revisions to screen ten are beneficial to the interconnection customers because they are intended to and may allow generators that require interconnection facilities, distribution upgrades, or network upgrades to pass the fast track screens and should be approved. Thus, according to SoCal Edison, its revised screen ten is superior to the *pro forma* and should be approved.⁸¹ SoCal Edison also states that because of its revisions to screen ten it was compelled to include a paragraph in WDAT GIP sections 6.6, 6.7, and 6.11.5 regarding interconnection facilities, distribution facilities or network upgrades that may be required by the generating facility.⁸²

87. SoCal Edison states that under such provisions, in the absence of interconnection studies, if facility modifications or distribution or network upgrades are later identified and estimated by some future work product such as a cluster study, the financial responsibility for such facilities would be added to the generator interconnection agreement. SoCal Edison contends that Clean Coalition's objections to the Sections 6.6, 6.7, and 6.11.5 provisions are contrary to established Commission policy which states that interconnection facilities, network upgrades and distribution upgrades are the financial responsibility of interconnection customers. According to SoCal Edison, the language objected to by Clean Coalition merely provides notice to interconnection customers that such facilities might be identified later and that if so identified, the cost of those facilities will be reflected in the generation interconnection agreement. SoCal Edison states that if it removes the proposed language, it would be compelled to reinsert the screen ten requirements. SoCal Edison believes that this restriction would reduce the number of interconnection requests eligible for the fast track process.⁸³

88. SoCal Edison claims that it considered requests to eliminate screen ten, but views its revisions as beneficial to interconnection customers because they are intended to allow generators that require interconnection facilities, distribution upgrades or network

⁸⁰ Clean Coalition Protest at 20-21.

⁸¹ SoCal Edison Answer at 21.

⁸² *See generally* WDAT Attachment I, GIP section 6.5, Screens, in relevant part, sections 6.6, 6.7, and 6.11.5 discuss the interconnection customer's financial responsibility for upgrades related to its interconnection, should it pass the screens.

⁸³ *Id.* at 22.

upgrades to pass the fast screen tests.⁸⁴ SoCal Edison claims that its revised screen ten is superior to the *pro forma* SGIP and should be approved.

89. With regard to screen two, SoCal Edison again contends that this screen is consistent with the *pro forma* SGIP, therefore it does not need to justify its proposal to continue to apply that screen.⁸⁵ However, SoCal Edison states that PG&E indicated that it would informally implement a secondary screen of 50 percent of minimum load for projects (if such minimum load information is available) that fail the 15 percent of peak load screen under the discretionary review afforded to them under section 2.2.3.⁸⁶ SoCal Edison states that it is also willing to adopt a secondary review under screen two of 50 percent of minimum load for projects that fail the 15 percent of peak load screen. However, SoCal Edison has consistently stated to stakeholders that for many of its distribution circuits, 50 percent of the minimum load approximates 15 percent of peak load, thus the secondary review might not result in any additional interconnection requests being eligible for the fast track process.⁸⁷

90. Finally, SoCal Edison contends that the study relied upon by the CPUC is flawed because it relied on summer peak load data rather than minimum load data. SoCal Edison also claims that for its study New Power Technologies selected one of the strongest portions of the SoCal Edison distribution system with only seven proposed generation facilities interconnecting to it. SoCal Edison argues that New Power Technologies should have used more representative portions of the SoCal Edison distribution system, such as a portion of the system located in one of SoCal Edison's desert areas, where the majority of applicants are proposing generation projects.⁸⁸

⁸⁴ SoCal Edison Answer at 21.

⁸⁵ *Id.* at 18.

⁸⁶ *See* WDAT CLGIP section 2.2.3, which states that if the proposed interconnection fails the screens, but the Distribution Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

⁸⁷ SoCal Edison Answer at 18-19.

⁸⁸ *Id.* at 19-20.

Commission Determination

91. We accept SoCal Edison's proposed modifications to its fast track process as a reasonable approach to attract a broader range of potential interconnection customers to this process, while ensuring the safety and reliability of the proposed interconnection and the transmission grid at-large. We find these modifications to be a just and reasonable balance between allowing a faster process without studies for qualifying interconnection customers and keeping the cost responsibility for upgrades with the customer requiring the construction of facilities to interconnect. We reject arguments by Clean Coalition and IREC that further clarification of either the fast track process or the associated costs and timelines is necessary.

92. We dismiss Clean Coalition's concerns regarding the alleged "poison pill" language in proposed tariff sections 6.6, 6.7, and 6.11.5. Rather, we find that Clean Coalition's arguments are contrary to well established Commission policy that interconnection facilities and/or distribution upgrades are the financial responsibility of interconnection customers, because these upgrades generally do not benefit all users.⁸⁹ The language at issue merely provides notice to interconnection customers that such facilities might be identified later and, if so, will be reflected in an updated generator interconnection agreement. We find that this language represents a reasonable trade off between speed and accuracy. If a generator opts for an expedited study process, it does so with the knowledge that the associated cost estimates may be less accurate than if it participated in the full cluster study process. If, on the other hand, cost certainty is more important to the generator, it can apply under one of the other study processes, which include additional studies. For example, a generating facility that is electrically independent from other generators in the study process would have the ability to have its interconnection study performed on an individual and more expedited basis for cost certainty.

93. We reject requests to require SoCal Edison to commit to future modification of the fast track screens. In Order No. 2006, the Commission imposed screens in its *pro forma* fast track process so as to minimize the chance that a proposed interconnection that passed the screens would impact the safety and reliability of the transmission provider's electric system.⁹⁰ The thresholds ultimately approved in Order No. 2006 were vetted by transmission providers, small generator developers, and representatives of state regulators across the United States.⁹¹ The ten screens that SoCal Edison has used for years under its

⁸⁹ Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 407-408.

⁹⁰ Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 171.

⁹¹ Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 171.

current SGIP were taken directly from Order No. 2006.⁹² In this proceeding, SoCal Edison proposes no substantive change to the Commission-approved *pro forma* screens. Therefore, the Commission finds no basis for rejecting the screens or directing modifications.

94. Even when considered as a modification, in the sense that SoCal Edison's proposal to combine the SGIP and LGIP represents a deviation from the Commission-approved *pro forma* interconnection procedures, we still find that the fast track screens, as currently proposed by SoCal Edison, are consistent with or superior to SoCal Edison's current SGIP. In the instant filing, SoCal Edison proposes to relax the standards for participating in the fast track process by adding a supplemental review that enables generators with minimal system impact, i.e., construction of some interconnection facilities, to be reviewed under the expedited procedures. By adding the supplemental review option, we find that SoCal Edison has effectively revised the tenth screen in a way that enhances access to the fast track process. We find this revision to be superior to the current fast track process, which requires generators applying under the fast track process to have no system impact. In the CAISO GIP proceeding, CAISO itself proposed to eliminate the tenth screen as a way to make the fast track process more accessible. The Commission did not require the modification. We find that the Commission's approval of CAISO's proposal in a separate proceeding does not, in itself, constitute a valid basis for requiring SoCal Edison to eliminate screen ten, particularly when the approach chosen by SoCal Edison achieves the same goal of increasing the flexibility of the fast track process.

95. Regarding screen two, the 15 percent peak load screen, we again emphasize that SoCal Edison has proposed no change to the approved *pro forma* language for this screen. Therefore, we find that SoCal Edison's proposed fast track screen two is consistent with the Commission-approved *pro forma*. Parties to this proceeding have not presented any evidence that the *pro forma* screens have become unjust or unreasonable, nor that specific characteristics of the SoCal Edison distribution system necessitate a modification to the *pro forma* screen. The CPUC has not convinced us that screen two may now act as a barrier to small generators seeking interconnection through the fast track process because there is no record evidence to suggest that the screen will produce unjust and unreasonable results. Specifically, we find that the studies cited by Clean Coalition and the CPUC do not demonstrate a need to revise the screen at this time. However, we note that these studies suggest the potential for further enhancements to the fast track process, once SoCal Edison gains experience with the revised GIP, and

⁹² See PG&E August 12, 2005 Filing, Docket No. ER05-1319 at 27-28; *Pacific Gas & Elec. Co.*, 113 FERC ¶ 61,021 (2005).

encourage SoCal Edison to continue to work with its stakeholders to consider future improvements to its interconnection procedures.

F. Transition Procedures

96. Transition procedures from SoCal Edison's CLGIP to its proposed GIP are enumerated in WDAT GIP Appendix 2. SoCal Edison states that the Appendix 2 provisions are intended to govern the process by which generators will transition to the new interconnection methodology, including making provision for a significant number of existing interconnection requests.

97. SoCal Edison states that in formulating transition procedures it was guided by several key principles: (1) allow generators whose serial study process has substantially progressed to take advantage of that progress; (2) provide, where reasonably possible, generators that have commenced the study process with the flexibility and the opportunity to determine how best to complete their study process; (3) create a transition methodology that efficiently and promptly transitions small generators to the cluster study process (such that the cluster studies can begin on schedule and be completed in a timely manner); and (4) preserve the ongoing cluster process used by the large generators without undue disruptions, while providing small generators with the opportunity to take advantage of the new benefits, such as the independent study process and full capacity deliverability status for existing generating facilities.

98. SoCal Edison further states that it understands that many of the provisions in the proposed WDAT GIP translate to a midstream change of the rules and procedures for potentially hundreds of interconnection requests. SoCal Edison states that it believes offering a choice of which interconnection study process to pursue is the most equitable way of easing the impact from the midstream procedural changes. SoCal Edison states that interconnection customers that see the benefits of the cluster study process, such as more equitable cost allocation methodology, improved deliverability options, and more certainty as to financial responsibility, can choose to pursue that track. SoCal Edison adds that other interconnection customers may choose to continue the serial study group if they believe that the process will lead to an interconnection agreement on a more expedited timeframe or with lower financial responsibility.

99. In conclusion, SoCal Edison states that it is essential that the revisions proposed in the WDAT GIP are implemented in the most efficient and expeditious manner possible, as the revised interconnection procedures are the fastest and most realistic path to interconnection for the vast bulk of the generators in the queue today. In addition, SoCal Edison states that moving these generators into the new Cluster Study Process will allow them to take advantage of other beneficial WDAT revisions.

100. In comments, SunPower states that through the current CLGIP process it is developing Mack Meadow, an interconnection customer situated in queue cluster two.

SunPower states that it has reduced the size of its interconnection request in order to avoid causing the need for substantial upgrades on SoCal Edison's distribution system.⁹³ SunPower states that it has been informed by SoCal Edison that SoCal Edison is not able to modify SunPower's Phase I financial security obligation to reflect the revised cost responsibility for SunPower's now downsized project. As a result, SunPower states that it has been instructed by SoCal Edison to post financial security in an amount well in excess of SunPower's estimated upgrades, or risk losing Mack Meadow's queue position. SunPower states that it is requesting expedited relief from this unduly burdensome current tariff posting requirement.

101. According to SunPower, if they applied, the provisions of SoCal Edison's proposed WDAT GIP section 4.8.2⁹⁴ would result in SunPower's required financial security posting to be reduced to an amount reflecting SunPower's revised cost responsibility for its now downsized project.⁹⁵

102. SunPower asserts that the cost principles associated with SoCal Edison's proposed WDAT GIP section 4.8.2, that financial security obligations should accurately reflect cost responsibility, are consistent with long-standing Commission precedent that has protected interconnection customers from providing too much security. SunPower argues that SoCal Edison agrees that WDAT GIP section 4.8.2 would reduce the initial posting requirement if an interconnection customer makes certain modifications to generating facilities after the Phase I or Interconnection System Impact Study in order to reduce the financial responsibility for upgrades.⁹⁶ SunPower states that it supports this proposal.

103. SunPower argues, however, that transition procedures in the WDAT GIP⁹⁷ filing would deprive any large generator interconnection customer that was in SoCal Edison's

⁹³ SunPower asserts that section 6.6.2 of SoCal Edison's current CLGIP provides customers with the right to downsize their projects at the conclusion of the Phase I Interconnection Study, or later if such reduction is not deemed a material modification.

⁹⁴ *See generally* WDAT GIP section 4.8.2, Initial Posting of Interconnection Financial Security. *See* Effect of Decrease in Output on Initial Posting Requirement, under section 4.8.2.

⁹⁵ SunPower cites to WDAT GIP section 4.5.7.2 as providing customers with the same ability to modify an interconnection request as provided by section 6.6.2 of SoCal Edison's current CLGIP.

⁹⁶ SunPower cites to WDAT transmittal letter at p. 29.

⁹⁷ *See* Appendix 2 to WDAT GIP for procedures for transitioning requests submitted prior to GIP effective date.

WDAT process before queue cluster four⁹⁸ of the right to reduce its financial security requirements with its potential interconnection costs. SunPower argues that the right to reduce the financial security requirement is implicit in the CLGIP. However, according to SunPower, by including language in the WDAT GIP that explicitly specifies the right to reduce financial security requirements to accurately reflect cost responsibility, SoCal Edison's proposed tariff revision calls the CLGIP implied right into question. SunPower also objects that SoCal Edison's proposed transition procedures do not appear to allow interconnection customers to transfer from the WDAT CLGIP to the WDAT GIP in order to utilize the section 4.8.2 provision for a downsized project.

104. SunPower requests that the Commission direct SoCal Edison to modify the transition rules to the WDAT GIP to provide for consistent financial security requirements among all interconnection customers. SunPower argues that the Commission in Order No. 2003 acknowledged that security requirements may increase or decrease because the prices quoted in an interconnection agreement are estimates. As such, the final cost of network upgrades may change, and with it the large generator interconnection agreement security required.

105. SunPower references Commission findings in the GIP Order which state that security posting requirements must be modified to ensure that financial security deposits do not exceed the customer's possible cost exposure for a resized project.⁹⁹ SunPower further requests that the Commission direct SoCal Edison to revise the proposed WDAT GIP to provide for all interconnection customers, not just those transitioning to the GIP, the right to reduce financial security requirements to reflect potential interconnection costs following a project change. SunPower contends that SoCal Edison's transition procedures create a situation in which certain interconnection customers that do not transition to the GIP may be required to maintain excessive levels of security that bear little or no relation to the customer's actual cost responsibility. Alternatively, SunPower requests expedited relief from the requirement to post the Phase I financial security in an amount that does not reflect SunPower's estimated cost responsibility.

106. In response to SunPower's request to revise WDAT GIP section 4.8.2 to apply to all interconnection customers, not just those transitioning to the GIP, SoCal Edison states that it has not proposed revisions to the WDAT CLGIP and therefore such an amendment is not required for the WDAT GIP to be found just and reasonable. SoCal Edison also states that its filing included a package of reforms and generators that seek to have that

⁹⁸ Pursuant to the CAISO Tariff Appendix Y GIP, there is only one cluster application window for its fourth queue cluster which will open March 1, 2011, and close on March 31, 2011.

⁹⁹ SunPower Protest at 6, citing GIP Order, 133 FERC ¶ 61,223 at P 108.

entire package, including section 4.8.2 applied, may do so by choosing to transition to the new process. Further, SoCal Edison states that it would not oppose the Commission treating SunPower's request as a request for waiver of an existing tariff provision and takes no position on whether the waiver should be granted.¹⁰⁰

107. In its answer, SunPower argues that SoCal Edison mischaracterized its initial filing as a request for retroactive application of the financial security obligations in GIP section 4.8.2. To the contrary, SunPower explains that it requested that the Commission direct SoCal Edison to clarify that the rights now expressly stated in GIP section 4.8.2 also implicitly belong to all customers under the CLGIP, and that SoCal Edison's transition rules are not intended to create disparate treatment among interconnection customers with respect to financial security obligations. SunPower requests that the Commission direct SoCal Edison to modify its GIP to clarify that the rights contained in new section 4.8.2 apply to all interconnection customers, in SoCal Edison's interconnection queue, not just those customers transitioning to the revised GIP. In the alternative, SunPower requests a waiver from the current CLGIP to the extent that the CLGIP permits SoCal Edison to require SunPower to post excessive financial security.¹⁰¹

Commission Determination

108. We accept as just and reasonable the SoCal Edison WDAT GIP section 4.8.2 provision that would reduce the initial financial security posting requirement as a result of approved customer modifications to generating facilities, pursuant to WDAT GIP section 4.5.7.2 which we also accept. We find that, consistent with Commission precedent, requiring security postings to be modified to ensure that financial security deposits do not exceed the customer's possible cost exposure for its approved resized project is reasonable. Otherwise, interconnection customers could be forced to withdraw their interconnection requests if security deposit postings fail to reflect the accurate cost responsibility of a given request.¹⁰²

109. However, we also note that the GIP Appendix 2 transition procedures provide that CLGIP interconnection requests submitted prior to CAISO's queue cluster four will continue to be processed under the applicable CLGIP provisions.¹⁰³ Thus, it appears

¹⁰⁰ SoCal Edison Answer at 23-24.

¹⁰¹ SunPower April 21, 2011 Answer at 3.

¹⁰² See GIP Order, 133 FERC ¶ 61,223 at P 105-108. See also *Cal. Indep. Sys. Operator Corp.*, 132 FERC ¶ 61,005 (2010).

¹⁰³ See WDAT GIP Appendix 2 at Section 3 procedures for interconnection requests submitted under the CLGIP.

from SoCal Edison's proposed tariff revisions that the opportunity to transition from the existing CLGIP to the proposed WDAT GIP is not available to interconnection customers with interconnection requests submitted prior to CAISO's queue cluster four. However, in its answer, SoCal Edison stated that generators that seek to have the entire package of WDAT GIP reforms, including section 4.8.2 applied, may do so by choosing to transition to the new process.¹⁰⁴ Accordingly, we will require that SoCal Edison modify its WDAT GIP Appendix 2 transition procedures to provide the opportunity for all customers to transition to the WDAT GIP.

110. In this instance where a current set of procedures are being phased out and a new set instituted, we would encourage a transition to improved features where practicable. By allowing all interconnection customers the opportunity to transition to the GIP the amount of disruption to the interconnection process would be minimized by applying SoCal Edison resources to support a general transition to one set of procedures, i.e., the WDAT GIP, instead of having three sets, i.e., the WDAT GIP, WDAT CLGIP and the WDAT SGIP. Therefore, we find that SoCal Edison should provide large generators in the WDAT interconnection process the opportunity to transition to the WDAT GIP.

111. SunPower, however, does not seek to transition to the WDAT GIP. Rather, SunPower requests that its interconnection request continue to be processed under the existing CLGIP. The sole modification sought by SunPower is that it be allowed to modify its required financial security posting so that the financial security is calculated to correspond with the estimated cost responsibility associated with SunPower's downsized project.

112. SoCal Edison opposes SunPower's suggestion that the Commission direct SoCal Edison to revise the proposed GIP so as to provide that the rights contained in new section 4.8.2 apply to all interconnection customers.¹⁰⁵ SoCal Edison points out that it has not proposed to amend its existing CLGIP and SoCal Edison does not believe that an amendment to the CLGIP is necessary to render the GIP just and reasonable.¹⁰⁶ However, SoCal Edison does not oppose SunPower's specific request to reduce the required financial security posting to correspond with SunPower's estimated cost responsibility based on its downsized project. Rather, SoCal Edison indicates that it is

¹⁰⁴ SoCal Edison Answer at 24.

¹⁰⁵ *Id.* at 23.

¹⁰⁶ *Id.*

not averse to treating SunPower's request as a request for waiver and SoCal Edison takes no position on whether a waiver should be granted.¹⁰⁷

113. Accordingly, consistent with our policy and precedent, as discussed above, we hereby grant SunPower's request for waiver from the provisions of the existing CLGIP tariff provisions that would prevent modifying SunPower's interconnection financial security posting requirement to reflect the estimated cost responsibility of its downsized project and direct that SoCal Edison require SunPower to post financial security in such an amount that is consistent with this waiver and in all other respects as required under SoCal Edison's existing CLGIP. Our granting of the limited waiver in this particular circumstance is intended to allow SunPower to realize the benefits of SoCal Edison's proposed tariff modification without compromising the benefits inuring to SunPower from its current queue position. As noted above, SoCal Edison does not oppose this waiver. Accordingly, we find that granting this waiver is consistent with our granting of other waivers where the waiver was of limited scope, where granting the waiver resulted in no undesirable consequences, or where there were resulting benefits to customers.¹⁰⁸

G. Effective Date

114. 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 (2010), to allow the revisions to become effective on March 2, 2011. SoCal Edison states that a March 2, 2011 effective date will benefit SoCal Edison and its customers by enabling SoCal Edison to initiate its first cluster study process on March 2, 2011, shortly after CAISO's March 1, 2011 cluster study process begins. SoCal Edison states that if the proposed revisions are not accepted for 60 days, its next opportunity to process a cluster study simultaneous with CAISO will be a full year later, on March 1, 2012. SoCal Edison notes that stakeholders suggested that SoCal Edison seek the March 2, 2011 effective date so that they can more quickly avail themselves of the new interconnection procedures.¹⁰⁹

¹⁰⁷ *Id.* at 24.

¹⁰⁸ *See, e.g., Cal. Indep. System Operator Corp.*, 118 FERC ¶ 61,226 (2007); *Cal. Indep. System Operator Corp.*, 124 FERC ¶ 61,031 (2008); *Cal. Indep. System Operator Corp.*, 132 FERC ¶ 61,132 (2010); *Coso Energy Developers*, 134 FERC ¶ 61,088 (2011).

¹⁰⁹ We note that Mr. William Shockney expressed concern that there will be no cluster application window for 2011 if the Commission approves the filing after March 31, 2011.

115. Because the proposed effective date was suggested by stakeholders and has not been protested, and because the proposed March 2, 2011 effective date will permit SoCal Edison to offer the new interconnection procedures simultaneously with CAISO's GIP, we find good cause to grant a waiver of the 60 day prior notice requirement, as requested.¹¹⁰

The Commission orders:

(A) SoCal Edison's GIP tariff sections are hereby accepted, subject to modification, as described in the body of this order, effective March 2, 2011, as requested.

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

(C) SoCal Edison is required to post monthly information on its website regarding the functioning of the new GIP processes, as discussed in the body of this order.

(D) SunPower's request for waiver from the interconnection financial security posting requirements of SoCal Edison's existing CLGIP is granted, as discussed in the body of this order.

By the Commission. Chairman Wellinghoff is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹¹⁰ See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61, 338; *reh'g denied*, 61 FERC ¶ 61,089 (1992).