

# Business Practice Manual for Distributed Generation Deliverability

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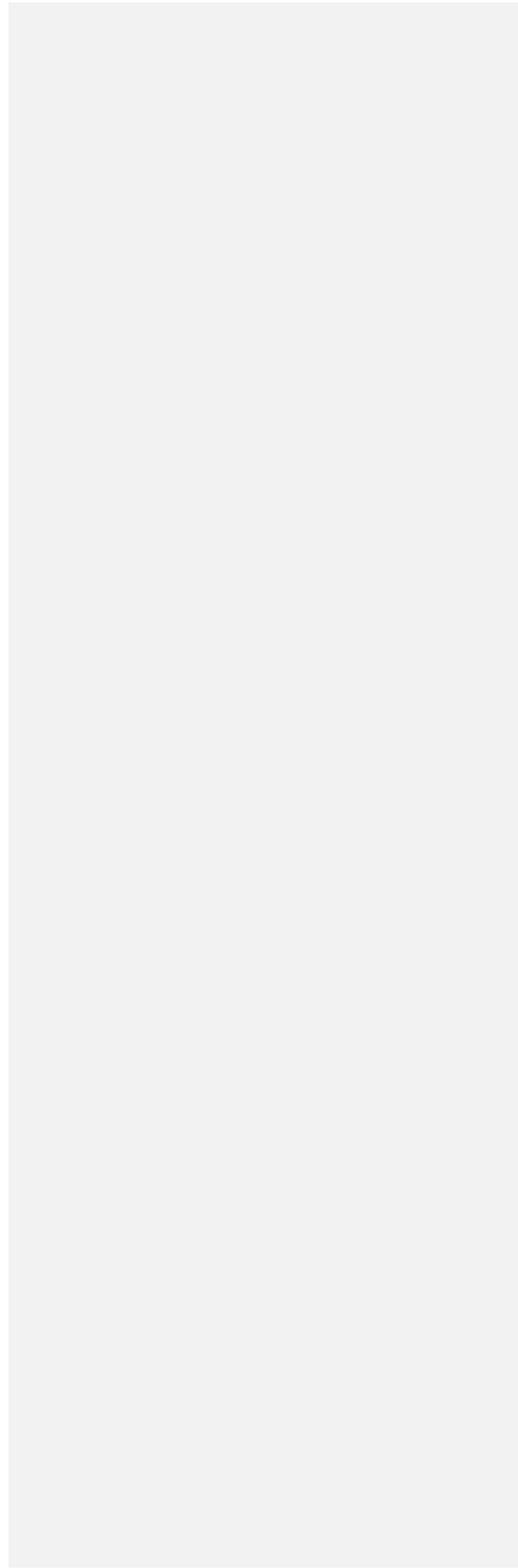
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**Attachments:**



**List of Exhibits:**

## 1. Introduction

Welcome to the CAISO *BPM for Distributed Generation Deliverability*. In this Introduction you will find the following information:

- The purpose of CAISO BPMs
- What you can expect from this CAISO BPM
- Other CAISO BPMs or documents that provide related or additional information

### 1.1 Purpose of CAISO Business Practice Manuals

The Business Practice Manuals (BPMs) developed by the CAISO are intended to contain implementation detail, consistent with and supported by the CAISO Tariff, including: instructions, rules, procedures, examples, and guidelines for the administration, operation, planning, and accounting requirements of the CAISO and the markets. Each Business Practice Manual is posted in the BPM Library at: <http://bpmcm.caiso.com/Pages/BPMLibrary.aspx>

### 1.2 Purpose of this Business Practice Manual

This *BPM for Distributed Generation Deliverability* covers the business processes associated with the CAISO Tariff provisions related to the ability of a Distributed Generation (DG) Facility to obtain deliverability. The CAISO's Distributed Generation Deliverability process is specified in Tariff section 40.4.6.3.

The BPM is intended for those entities that expect to participate in the CAISO Markets, as well as those entities that expect to exchange Power with the CAISO Balancing Authority Area.

This BPM benefits readers who want answers to the following questions:

- What are the respective roles and responsibilities of the CAISO, DG Facility owners, Utility Distribution Companies (UDC) and Metered Subsystems (MSS) in the Distributed Generation Deliverability (DGD) process?
- How is the availability for Potential Distributed Generation Deliverability (Potential DGD) determined?
- What are the eligibility requirements necessary prior to applying for a Potential DGD assignment?

- Once assigned, what does a DG Facility need to do to meet Deliverability Status?

Although this BPM is primarily concerned with distributed generation, there is some overlap with other BPMs. Where appropriate, the reader is directed to the other BPMs for additional information.

If a Market Participant believes there is an inconsistency between BPMs, it should report the inconsistency to the CAISO before relying on either provision.

The provisions of this BPM are intended to be consistent with the CAISO Tariff. If the provisions of this BPM nevertheless conflict with the CAISO Tariff, the CAISO is bound to operate in accordance with the CAISO Tariff. Any provision of the CAISO Tariff that may have been summarized or repeated in this BPM is only to aid understanding. Even though every effort will be made by the CAISO to update the information contained in this BPM and to notify Market Participants of changes, it is the responsibility of each Market Participant to ensure that he or she is using the most recent version of this BPM and to comply with all applicable provisions of the CAISO Tariff.

A reference in this BPM to the CAISO Tariff, a given agreement, or any other BPM or instrument is intended to refer to the CAISO Tariff, that agreement, BPM, or instrument as modified, amended, supplemented, or restated.

The captions and headings in this BPM are intended solely to facilitate reference and not to have any bearing on the meaning of any of the terms and conditions of this BPM.

### 1.3 References

The definition of acronyms and words beginning with capitalized letters are given in the *BPM for Definitions & Acronyms*.

Other referenced information related to this BPM includes:

- ISO Tariff Section 40.4.6.3
- DG Deliverability Assessment results report
- Other CAISO BPMs:
  - BPM for Reliability Requirements
  - BPM for Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

## 2. Distributed Generation Deliverability Overview

Welcome to the Distributed Generation Deliverability Overview section of the CAISO BPM for Distributed Generation Deliverability. In this section, you will find the following information:

- A high-level description of the following:
  - DG Deliverability Assessment study process
  - Eligibility criteria
  - Application process
  - Securing deliverability after receiving an assignment.

### 2.1 Background

Under the CAISO Tariff, to be eligible to provide Resource Adequacy Capacity to a Load Serving Entity, a resource must, as part of the interconnection process, request and obtain Deliverability Status. As part of the interconnection study process, the CAISO performs annual deliverability studies to assess whether existing transmission capacity can support the requested Deliverability Status of resources in the current Queue Cluster, which requires that such resources be able to deliver their output to the aggregate of load on the CAISO system under peak load conditions, or if existing capacity is not sufficient, identify necessary Delivery Network Upgrades to the CAISO-controlled transmission grid to provide the requested Deliverability Status.

The CAISO established this annual process to enable distributed generation resources (DG Facilities) that are interconnecting to the utility distribution grid and seeking Deliverability Status to obtain such status earlier than would typically be possible through the normal interconnection study cycle, up to the amount of such status that the CAISO Controlled Grid can support without additional Delivery Network Upgrades. For those resources interconnecting pursuant to a wholesale distribution access tariff (WDAT) offered by one of California's investor owned utilities (IOUs), the new process provides a potential alternative, and quicker path to Deliverability Status.

For resources interconnecting under the state interconnection process known as Rule 21, this annual process provides an opportunity for deliverability status that was previously unavailable to them.

This new process results in a streamlined method to enable load-serving entities and developers of DG Facilities to understand where sufficient transmission capacity exists to

provide Deliverability Status to additional DG Facilities, and to allow such entities to contract for deliverable Resource Adequacy capacity at locations with available transmission capacity without requiring each DG Facility to undergo a further Deliverability Assessment in the interconnection processes.

## 2.2 Annual Timeline Overview

The timeline below provides estimated milestones to complete each task in the annual Deliverability Assessment process. Pursuant to the timeline, the CAISO will make reasonable efforts to post the Deliverability Assessment study results by the last day of February and to complete the assignment confirmation by July 1 each year.

Task	Milestone / Duration
Pre-program cycle meeting between CAISO and IOU PTOs, UDCs, and MSSs to discuss schedule for current program cycle and other implementation issues as needed.	10 Business Days prior to posting Annual Deliverability Study results to CAISO website
CAISO posts Deliverability Study results to CAISO website and issues Market Notice announcing availability of study results and current program cycle application window	By close of business on the last Business Day of February
DG Deliverability application window	Mid-March to mid-April, specific dates to be determined during the Pre-program meeting
IOU PTO, UDC, or MSS completes deliverability status assignments for eligible DG applications	Within 10 BD after close of application window
CAISO completes validation of deliverability status assignments	Within 10 BD after CAISO receives preliminary assignments from IOU PTOs, UDCs, or MSSs
IOU PTOs, UDCs, and MSSs notify customers of final DG Deliverability assignments	Within 5 BD after receiving CAISO validation of deliverability assignments

### 3. DG Deliverability Assessment Study Process

This section describes the DG Deliverability Assessment study process. The CAISO will perform an annual Deliverability Assessment in accordance with CAISO Tariff Section 40.4.6.3.1. The results of this Deliverability Assessment will determine the MW quantities of Potential DGD at specific Nodes on the CAISO Controlled Grid that are available for assignment to specific DG Facilities already interconnected or seeking interconnection to the Distribution System of a UDC or a MSS.

As explained in CAISO Tariff Section 40.4.6.3, this Potential DGD must be able to be provided:

- a. Without additional Delivery Network Upgrades (although Reliability Network Upgrades, Distribution Upgrades, or other mitigation may be needed);
- b. Without the need for the CAISO to conduct further Deliverability Assessments; and
- c. Without degradation of Deliverability Status of generation in Commercial Operation, proposed Generating Facilities in the CAISO Interconnection queue, or the D G Facilities of interconnection customers who have previously requested Full Capacity or Partial Capacity Deliverability Status.

#### 3.1 DG Deliverability Assessment Study Model

The initial step in the DG Deliverability Assessment study process is the completion of the study model, which is developed in accordance with CAISO Tariff Section 40.4.6.3.1.1. The DG Deliverability Assessment study model is developed by using the most recent Phase II Interconnection Study deliverability power flow base case.

The modelling of the transmission system includes:

- a. Transmission upgrades that have been approved in the CAISO's annual Transmission Planning Process; and
- b. Network Upgrades required for any generator interconnection requests that are under construction or have received regulatory permits.

The modeling of the generation in the study model considers the prior commitments of deliverability. Prior commitments will generally include the following:

- a. All transmission- or distribution-connected generators that are operational and have obtained Full Capacity Deliverability Status (FCDS) or Partial Capacity Deliverability

Status (PCDS)<sup>1</sup>. This includes those DG Facilities that obtained FCDS or PCDS through the assignment of deliverability status in the prior year's DG Deliverability Assessment process;

- b. Active generation interconnection requests in the CAISO's and Participating TOs' (PTO) generation interconnection queues that requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status in the current Queue Cluster window or earlier;
- c. Generation projects that have obtained deliverability using the annual full capacity deliverability option set forth in Section 9.2 of CAISO Tariff Appendix DD;
- d. The MW amount of Potential DGD that was identified but not assigned in the prior year's DG Deliverability Assessment cycle;

Next, the CAISO determines and adds DG amounts to the study model using the steps described below.

- a. Identify all DG Nodes that have non-zero distributed generation MW in one of the most recent Transmission Plan renewable portfolios.
- b. At each DG Node, determine the target additional DG amount. The target additional DG amount at each Node was initially set to:

Total existing Energy-Only DG<sup>2</sup> + the maximum of (i) or (ii) where,

- i. Maximum DG MW at the Node among all renewable portfolios.
- ii. Total MW amount of non-net-energy-metered WDAT or Rule 21 interconnection requests, as well as MW from DG interconnection requests made available to the CAISO by non-IOU PTOs.

The target DG amount at each Node is set to 0 if either of the following circumstances applies:

- The node is within an electrical area for which the current Queue Cluster's Phase I Interconnection Studies have shown a need for a Delivery Network Upgrade (DNU);
- The node is within an electrical area for which a DNU was identified and then removed in the Queue Cluster 3 and 4 Phase II Interconnection Studies, and the constraint driving the DNU is still binding for Queue Clusters 3 and 4 in the most recent Queue Cluster Phase I Interconnection Studies.

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<sup>1</sup> These generators may not have achieved FCDS or PCDS due to required Network Upgrades not in service yet.

<sup>2</sup> For the purpose of this study, Energy-Only DG includes any DG that has requested Energy-Only Deliverability Status and not previously obtained Full Capacity Deliverability Status or Partial Capacity Deliverability Status, as well as the portion of a DG that would bring the DG from Partial Capacity Deliverability Status to Full Capacity Deliverability Status.

If the target additional DG amount at a DG Node is lower than or equal to the unassigned previous year's Potential DGD, no additional MW is added to the study model. If the target additional DG amount at a DG Node is higher than the unassigned previous year's Potential DGD, the difference between the target amount and the unassigned previous year's Potential DGD is added to the study model.

### 3.2 Potential DG Determination

The CAISO performs a Deliverability Assessment and determines deliverable MW at each Node. Part or all of the deliverable MW is identified as Potential DGD for purposes of assigning Deliverability Status to DG Facilities. In general, the Potential DGD is the deliverable MW amount minus any prior commitments, so long as it does not exceed the sum of existing Energy-Only DG projects and future Energy-Only DG projects. If the Potential DGD is lower than the previous year's unassigned Potential DGD, the previous year's unassigned Potential DGD is used in the current year's Deliverability Assessment.

For each DG Node, the Potential DGD is calculated as follows:

**Potential DGD =**

**max [ Prior Year Unassigned Potential DGD, min ( { DG Deliverable — Existing FC — FC Interconnection Requests } , Existing EO + max { DG Base Portfolio, EO Interconnection Requests } ) ]**

Variable	Description
<b>DG Base Portfolio</b>	The DG megawatts at the Node in the base portfolio utilized in the CAISO's annual Transmission Planning Process.
<b>EO Interconnection Requests</b>	The total megawatts of non-net-energy-metered DG at the Node in the WDAT queue that have requested Energy-Only Deliverability Status and not obtained deliverability previously including any DG in non-IOU PTO queue made available to the CAISO.
<b>FC Interconnection Requests</b>	The total megawatts of non-net-energy-metered DG at the Node in the WDAT or Rule 21 queue that have requested or obtained deliverability including any DG in non-IOU PTO queue made available to the CAISO.
<b>Existing EO</b>	The total megawatts of non-net-energy-metered DG at the Node already in commercial operation that have not

	obtained deliverability.
<b>Existing FC</b>	The total megawatts of non-net-energy-metered DG at the Node already in commercial operation that have obtained deliverability.
<b>Prior Year Unassigned Potential DGD</b>	The total megawatts of Potential DGD identified but not assigned in the previous DG Deliverability Assessment cycle.
<b>DG Deliverable</b>	The total megawatts of DG determined to be deliverable at the Node.
<b>Potential DGD</b>	The total megawatt amount of Potential DGD at the Node available for assignment of Deliverability Status to DG Facilities.

### 3.3 Detailed DG Deliverability Assessment Results

When available, the detailed DG Deliverability Assessment results that reflect the Potential DGD for each substation will be posted on the “Generator Interconnection” page on the CAISO website.

### 3.4 Bilateral Transfers of Potential DGD at Shared Node

Pursuant to CAISO Tariff Section 40.4.6.3.1.4, a UDC or MSS shall be entitled to transfer all or a portion of its MW share of Potential DGD at a Node that is shared with the Distribution System of another UDC or MSS under the following conditions:

1. Quantities transferred may be no smaller than 0.01 MW and cannot exceed the available Potential DGD for that Node.
2. Both UDC and MSS participating in a transfer must notify the CAISO of the transfer prior to the date on which the assignments are due to the CAISO.

## 4. Eligibility to Obtain Deliverability Status Assignment

### 4.1 COD Eligibility Requirement

To qualify for a Deliverability Status assignment under CAISO Tariff Section 40.4.6.3.2.2, a DGFacility must be in commercial operation or have a Commercial Operation Date (COD) that is no later than three years from the last date on which the application is submitted for the current DG Deliverability Assessment cycle. The expected COD will be set forth in the interconnection agreement (IA) or the active interconnection request if an IA has not been executed.

## 4.2 Eligibility to Obtain Deliverability Status Assignment from IOU Participating Transmission Owners

Per CAISO Tariff Section 40.4.6.3.2.2.1, a DG Facility is eligible to receive a Deliverability Status assignment from an IOU PTO in the current DG Deliverability Assessment cycle if it meets the following applicable requirements:

1. For an existing DG Facility in Commercial Operation and interconnected to the Distribution System of an IOU PTO:
  - a. If no Deliverability (*i.e.*, Energy-Only), the DG Facility can apply for Partial Capacity or Full Capacity Deliverability Status.
  - b. If Partial Deliverability, the DG Facility can apply for higher Partial or Full Capacity Deliverability Status.
2. The DG Facility has an active interconnection request under a WDAT or Rule 21 with no requested deliverability (*i.e.*, Energy-Only) and has received its Phase I Interconnection Study results or equivalent.
  - a. An "equivalent" study for these types of projects is typically the first study performed for the project (*i.e.* system impact study).
  - b. This category includes projects that originally requested Energy-Only deliverability but later requested deliverability through the Annual Full Capacity option, but have not obtained deliverability through that process.
3. The DG Facility has an active interconnection request under a WDAT or Rule 21 with Energy-Only, Partial Capacity, or Full Capacity Deliverability Status requested and has not received its Phase I Interconnection Study results or equivalent.
  - a. For Full or Partial Capacity Deliverability requests that will receive system impact and facilities studies relating to an Energy-Only request, and Phase I and Phase II study reports for a deliverability request, the system impact and facilities studies are *not* considered equivalent to the Phase I study for purposes of determining eligibility.
  - b. For Full or Partial Capacity Deliverability requests, the equivalent study is typically the first interconnection study that includes a deliverability assessment. For projects studied in the older serial process, it is the applicable ISO deliverability assessment.
  - c. For Energy Only requests, the equivalent study is typically the first interconnection study performed for the project (*i.e.* system impact study).
  - d. This category does not include projects that submitted an Energy-Only request initially and then later requested deliverability through the Annual Full Capacity option.

#### 4.2.1 Interconnection Customer Checklist for Obtaining Deliverability Status from IOU Participating Transmission Owners

The following questions may be used to help Market Participants determine whether a DG Facility that is interconnected to or in the interconnection queue of an IOU PTO meets eligibility requirements to submit an application and be considered for a DG Deliverability Assignment.

1	<p>Is this project currently in operation, meaning it has achieved its Commercial Operation Date (COD)?</p> <ul style="list-style-type: none"> <li>• If Yes, please go to Question 2.</li> <li>• If No, please go to Question 3.</li> </ul>
2	<p>What is the current Deliverability Status of the project?</p> <p>If Partial Capacity or Energy-Only Deliverability Status, your project is eligible to apply for the DG Deliverability Assessment process.</p> <p>If Full Capacity Deliverability Status, this project is <b>NOT</b> eligible to apply for the DG Deliverability Assessment process.</p>
3	<p>Does this project have an active interconnection request? In other words, is the project currently being studied for interconnection or working through the construction phases?</p> <ul style="list-style-type: none"> <li>• If Yes, please go to Question 4.</li> <li>• If No, then this project is <b>NOT</b> eligible to apply for the DG Deliverability Assessment process.</li> </ul>
4	<p>For a project with an active interconnection request, the project must have an expected COD no later than three (3) years from the close of the current DG Deliverability Assessment application window. The COD may be specified in the executed interconnection agreement OR if an interconnection agreement has not been executed, the COD specified in the project's current interconnection request.</p> <p>Is the COD no later than three (3) years from the close of the current DG Deliverability Assessment application window?</p> <ul style="list-style-type: none"> <li>• If Yes, please answer Questions 5, 6, AND 7</li> </ul>

	<ul style="list-style-type: none"> <li>If No, then this project currently is <b>NOT</b> eligible to apply for the DG Deliverability Assessment process.</li> </ul>
5	<p>Does this project have an active interconnection request that did NOT include a request for Full Capacity Deliverability Status AND has received at least the Phase I interconnection study (or equivalent)?</p> <ul style="list-style-type: none"> <li>If Yes, this project is eligible to apply for the DG Deliverability Assessment process.</li> <li>If No, please see Question #6.</li> </ul>
6	<p>Does this project have an active interconnection request that has NOT yet received a Phase I interconnection study (or equivalent), regardless of whether the project also requested Deliverability Status in the interconnection request?</p> <ul style="list-style-type: none"> <li>If Yes, this project is eligible to apply for the DG Deliverability Assessment process.</li> <li>If No, please see Question #7.</li> </ul>
7	<p>Does this project have an active interconnection request that included a request for Full Capacity Deliverability Status AND has received at least the Phase I interconnection study (or equivalent)?</p> <ul style="list-style-type: none"> <li>If Yes, this project is <b>NOT</b> eligible to apply for the DG Deliverability Assessment process.</li> <li>If No, please contact PTO for assistance.</li> </ul>

#### 4.2.2 Active Interconnection Request

To be considered an "Active Interconnection Request" a customer must submit the project Interconnection Request prior to the first day of the DGD application window AND must be deemed complete and assigned a queue number prior to the last day of the DGD application window. For purposes of participating in this process to be considered an "Active Interconnection Request" a customer must submit the project Interconnection Request that is deemed complete and assigned a queue number prior to the last day of the DGD application window.

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For new interconnection requests, it is suggested that the customer submit the new project interconnection request as soon as possible in order to ensure the interconnection request can be validated and assigned a queue number before the close of the DGD window.

### 4.3 Eligibility to Obtain Deliverability Status Assignment from Non-IOU Participating Transmission Owners

Pursuant to CAISO Tariff Section 40.4.6.3.2.2.2, DG Facilities interconnected or seeking interconnection to the Distribution System of a UDC or MSS that is not an IOU PTO must meet eligibility requirements pursuant to the individual interconnection procedures of that UDC or MSS.

## 5. Application Process

### 5.1 IOU PTO Application Process

Prior to submitting an application with the applicable IOU PTO, please review the results of the DG Deliverability Assessment study to determine if there is available deliverability capacity at the substation to which this project is interconnected.

Consistent with CAISO Tariff Section 40.4.6.3.1.3, within 10 Business Days after the results of the DG Deliverability Assessment are issued, the CAISO will post a market notice on its website notifying Market Participants of the results. In addition, the results will be sent by the applicable IOU PTO, UDC, or MSS to applicable DG customers. The market notice will include the appropriate contacts at the IOU PTO, UDC, or MSS. Contacts at the IOU PTO, UDC, or MSS will provide the DG Facilities with details regarding the application process. The market notice will include application and process timelines.

Per CAISO Tariff Section 40.4.6.3.2.2.1, the deadline to submit the applications will be no later than thirty (30) days after the CAISO publishes the results of the DG Deliverability Assessment. The IOU PTO, UDC, or MSS will provide a copy of the application to the CAISO within five (5) Business Days after the application was submitted.

### 5.2 Application Details

In order to correctly assign deliverability, applications should contain the following information:

Project Data Item	Information Covered by Project Data Item
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Point of Interconnection (POI)	Substation or transmission line point of interconnection
Transmission Level (kV)	Transmission kilovolt level
Generator Name	Name of generator or project
Status	Specify whether the project is operational, is under construction, or is currently being studied
Commercial Operation Date (COD)	Actual or planned COD if currently in queue
PTO Queue #	PTO queue number
CAISO Resource ID	Applies to existing CAISO Participating Generators only
Technology	Wind, hydro, solar, <i>etc.</i>
Nameplate Capacity	Gross nameplate capacity of generator
Net Output	Expected output to electric grid
Existing Deliverability Status	Partial Capacity or Energy-Only If Partial Capacity, identify the current percentage and mw portion of nameplate capacity
Requested Total Deliverability Status	Full Capacity or Partial Capacity If Partial Capacity, identify the total percentage and total MW portion of nameplate capacity requested  Request can be no smaller than 0.01 MW increment (see CAISO Tariff Section 40.4.6.3.1.3).

Please contact the applicable UDC for their specific version of the application during the application window as the specific form of application will vary depending on each UDC's needs.

### 5.3 Non-IOU PTO Application Process

DG Facilities interconnected or seeking interconnection to the Distribution System of a UDC or MSS that is not an IOU PTO must apply to those entities pursuant to the individual interconnection procedures of that UDC or MSS.

## 6. Assignment

After completion of the annual Deliverability Assessment, and in accordance with a market notice prepared by the CAISO, each UDC and MSS will assign Deliverability Status to Distributed Generation Facilities. The UDC or MSS will assign Deliverability Status to DG Facilities according to where the Deliverability Assessment has identified availability of DG deliverability using the assignment process detailed in Section 6.1 below.

### 6.1 Assignment of Deliverability Status to DG Facilities by IOU PTOs

IOU PTOs will assign Deliverability Status on a first-come, first-served basis in accordance with CAISO Tariff Section 40.4.6.3.2.3. The COD will be specified in the DG Facility's interconnection agreement or the Deliverability Status application.

**Priority order is as follows:**

1. Existing DG Facilities in Commercial Operation and interconnected to a Distribution System will be assigned Deliverability Status in order from the earliest COD to the most recent COD. DG Facilities in Commercial Operation that have the same COD will be assigned pro rata shares of Deliverability Status in proportion to their MW energy production levels as modeled in CAISO deliverability studies.
2. DG Facilities with active interconnection requests will be assigned Deliverability Status in the order of their Queue Positions in the applicable interconnection process.
  - a. For DG Facilities in the same Queue Cluster but with different CODs, remaining incremental amounts of Potential DGD will be allocated in order of the expected COD from earliest to furthest in the future.
  - b. For DG Facilities in the same Queue Cluster and with the same COD, remaining incremental amounts of Potential DGD will be allocated using pro rata shares in proportion to the MW energy production levels of the DG Facilities as modeled in CAISO deliverability studies.

The IOU PTO will assign available Potential DGD to the eligible DG Facilities that applied for DG deliverability. If the total MW quantity associated with eligible DG Facilities at a particular Node is less than the available Potential DGD for that Node as indicated in the DG Deliverability Assessment for the current cycle, then the excess quantity of Potential DGD will be treated as unassigned Potential DGD.

## 6.2 Assignment of Deliverability Status to Distributed Generation Facilities by Non- IOU Transmission Owners

In accordance with CAISO Tariff Section 40.4.6.3.2.4, the UDC and MSS will assign Deliverability Status based on the Potential DGD available at applicable Nodes pursuant to its own interconnection procedures. Assignments can be reported to the CAISO at any time. However, only those assignments made within the current DG Deliverability Assessment cycle will be included in the CAISO's annual Net Qualifying Capacity determination and be eligible to be designated as a Resource Adequacy Resources for the next Resource Adequacy Compliance Year.

## 6.3 Unassigned Potential DGD

Per CAISO Tariff Section 40.4.6.3.3, if the available Potential DGD is not fully utilized in a given annual Deliverability Assessment cycle, the CAISO will preserve it through the next cycle.

## 6.4 Assignment Validation

The CAISO will validate all assignments within 10 Business Days of receipt of the preliminary assignments from IOU PTOs, UDCs, and MSSs . DG Facilities assigned Deliverability Status will be counted against the available Potential DG at their Nodes according to their energy production levels as modeled in CAISO deliverability studies.

When an IOU PTO, UDC or MSS sends its assignment list to the CAISO, the CAISO will validate all of the following:

- a. The IOU PTO, UDC/MSS has counted DG Facilities against Potential DGD correctly.
- b. The IOU PTO, UDC/MSS has not exceeded available Potential DGD at any Node.
- c. DG Facilities assigned Deliverability Status have future CODs within the 3-year time limit.
- d. Applications for Generators not assigned deliverability are evaluated whether the application was complete. This provision only applies to IOU PTOs.

## 6.5 Confirming Assignment

If the “assignment validation” requirements above are not met, the CAISO will notify the IOU PTO, UDC or MSS of the inconsistencies. If the requirements are met, the CAISO will notify the IOU PTO, UDC or MSS, who will then notify the DG Facilities to confirm their Deliverability assignment.

## 6.6 Assignment to DG Facilities Smaller than 500 kW

CAISO Tariff Section 4.6.3.2 states that a Generating Unit with a rated capacity of less than 500 kW, unless the Generating Unit is participating in an aggregation agreement approved by the CAISO, is not eligible to participate in the CAISO Markets and the Generator is not a Participating Generator for that Generating Unit. Therefore, in order to participate in the CAISO Markets and be assigned Deliverability status, DG Facilities smaller than 500 kW must participate in an aggregation agreement approved by the CAISO.

## 7. Post-Assignment

Before an assignment of Deliverability Status pursuant to the process described above can be completed, a DG Facility must satisfy the new resource implementation process and requirements set forth in the CAISO Tariff and on the following page on the CAISO website:

<http://www.caiso.com/participate/Pages/NewResourceImplementation/Default.aspx>.

### 7.1 DG Facility Responsibilities as an Resource Adequacy Resource

- There are a number of requirements that a DG Facility must satisfy in order to be treated as a Resource Adequacy Resource. For example, the DG Facility will need to obtain a Qualifying Capacity Value under Section 40.4.1 of the CAISO Tariff. It will also need to be included on the CAISO’s Net Qualifying Capacity List and comply with the Must-Offer Obligations and standard capacity product assessment specified in Section 40 of the Tariff.

For detailed requirements and responsibilities please see the BPM for Reliability Requirements, including Sections 5 (Net Qualifying Capacity), Section 6 (Bidding and Scheduling Obligations), and Section 7 (Local Capacity and Reliability Procurement Provisions):

<http://www.caiso.com/rules/Pages/BusinessPracticeManuals/Default.aspx>

## 7.2 Maintaining the Assignment

Once a UDC or MSS has assigned Deliverability Status to a specific DG Facility and reported such assignment to the CAISO, and the CAISO has validated and accepted the reported information as specified under CAISO Tariff Section 40.4.6.3.2 and this BPM, the Deliverability Status becomes an attribute of the DG Facility to which it was assigned.

For a DG Facility that has an active interconnection request in a Queue Cluster or under a WDAT or Rule 21 with Energy-Only, Partial Capacity, or Full Capacity Deliverability Status requested and that has not received its Phase I Interconnection Study results or equivalent, the DG Facility's Deliverability Status will be subject to the provisions of CAISO Tariff Section 40.4.6.3 with regard to its assigned Deliverability Status and will continue through the interconnection process for all other purposes as a request for Energy-Only Deliverability Status.

A DG Facility that is assigned Deliverability Status pursuant to CAISO Tariff Section 40.4.6.3 prior to achieving Commercial Operation must, in order to retain such assignment, achieve Commercial Operation no later than six months after the Commercial Operation date specified in the DG Facility's interconnection agreement, or if no interconnection agreement had been executed at the time the assignment was made, the DG Facility's application submitted pursuant to CAISO Tariff Section 40.4.6.3.2.2 and this BPM.

However, if the application was submitted by a DG Facility that has an active interconnection request in a Queue Cluster or under WDAT or Rule 21 with no requested deliverability (*i.e.*, Energy-Only) and that has received its Phase I Interconnection Study results or equivalent, such assignment shall not be revoked if the DG Facility's failure to achieve Commercial Operation within six months of its indicated Commercial Operation date is due to a delay in the UDC's or MSS's completion of the upgrades necessary for the Distributed Generation Facility's interconnection.

The applicable UDC or MSS must report any such revocations and delays to the CAISO within 10 Business Days or as specified in a market notice establishing the schedule for the annual DG Deliverability Assessment cycle. With respect to a DG Facility that meets this retention requirement, once the DG Facility has achieved Commercial Operation, it will retain its assigned Deliverability Status for as long it remains in Commercial Operation. This also applies to DG Facilities that were already in Commercial Operation at the time the assignment was made.