



**COMMENTS OF
THE COGENERATION ASSOCIATION OF CALIFORNIA
AND
THE ENERGY PRODUCERS AND USERS COALITION
ON THE DRAFT TARIFF LANGUAGE IMPLEMENTING THE GIP 2**

These comments address the draft tariff language regarding the interconnection of Qualifying Facilities (QFs) that will convert to Participating Generators under California Public Utilities Commission Decision 10-12-035. The draft language in §25.1 of the tariff enacts the intent of parties but leaves cost uncertainty for generators already in the process of conversion. It is important that the state's combined heat and power (CHP) facilities are able to transition smoothly from existing QF contracts to California's new QF/CHP program without fear of costly and needless regulatory obstacles. The CAISO proposal recognizes this need. The draft tariff language accurately reflects the proposal and does not require revision.

Full execution of the proposal goes beyond the tariff language, however, and requires CAISO to include in its FERC filing its intent to keep the costs of the transition similar to those in the Fast Track process. The draft language in §25.1 states that *"the existing Generating Unit ... shall be responsible for any costs related to that verification process pursuant to the Business Practice Manual."* The need to leave the determination of the cost details to the development of Business Practice Manual provisions is understandable. However, cost certainty for the generators transitioning to the CAISO tariff is also necessary since many of these facilities have already begun the conversion. The CAISO proposal states its intent to keep these costs low, *"similar to*

that imposed under the Fast Track."¹ CAISO should include language in its filing at FERC that clearly spells out this intent.

The draft tariff language regarding § 25.1 should be adopted without change, and CAISO should demonstrate in its FERC filing its intent to minimize costs for transitioning CHP generators.

Respectfully submitted,



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¹ See CAISO Revised Draft Final Proposal at 43-44 (June 30, 2011).