

Stakeholder Comments Template

Subject: Generation Interconnection Procedures Phase 2 (“GIP 2”)

Submitted by	Company	Date Submitted
<i>Tony Braun</i>	<i>California Municipal Utilities Association</i>	<i>6/14/2011</i>

This template was created to help stakeholders structure their written comments on topics detailed in the May 27, 2011 *Draft Final Proposal for Generation Interconnection Procedures 2 (GIP 2) Proposal* (at <http://www.caiso.com/2b21/2b21a4fe115e0.html>). We ask that you please submit your comments in MS Word to GIP2@caiso.com no later than the close of business on June 10, 2011.

Your comments on any these issues are welcome and will assist the ISO in the development of the revised draft final proposal. Your comments will be most useful if you provide the reasons and the business case for your preferred approaches to these topics.

Your input will be particularly valuable to the extent you can provide comments that address any concerns you foresee implementing these proposals.

Please note there are new topics in this comments template that have been introduced for the first time in the draft final proposal - Item # 18, 19, 20, 25, 26 & 27

Comments on topics listed in GIP 2 Draft Final Proposal:**Work Group 1**

Based on the last round of work group meetings and our review of stakeholder comments, the ISO has determined that WG 1 topics should be taken out of GIP 2 scope and addressed in a separate initiative with its own timeline

CMUA is disappointed at this development. The CAISO has set forth ample justification for consideration of a policy reform with respect to Work Group 1 issues, given that size of the interconnection queue cannot be supported by any current policy requirement. It is utterly unreasonable to expect consumers to pick up the tab for Network Upgrades not needed to meet any clearly articulated policy requirement, and a methodology must be developed to pick and choose between proposals.

CMUA is most concerned with the implications of delay on projects being currently studied under the LGIP. It is essential that no expectation by generators in Clusters III and IV be relied upon so that this delay creates additional unnecessary costs for consumers. Enough horses have already escaped the barn. If the CAISO maintains its position that a separate stakeholder process is required to address this issue, delay should be kept at a minimum, and the CAISO should clearly articulate that no generator in Clusters III and IV may develop any reasonable reliance on the current Network Upgrade cost allocation regime.

CMUA addresses SCE's proposal on Abandoned Plant in response to Issue #20.

Work Group 2

1. Participating Transmission Owner (PTO) transmission cost estimation procedures and per-unit upgrade cost estimates;

Comments:

2. Generators interconnecting to non-PTO facilities that reside inside the ISO Balancing Area Authority (BAA);

Comments:

3. Triggers that establish the deadlines for IC financial security postings.

Comments:

4. Clarify definitions of start of construction and other transmission construction phases, and specify posting requirements at each milestone.

Comments:

5. Improve process for interconnection customers to be notified of their required amounts for IFS posting

Comments:

6. Information provided by the ISO (Internet Postings)

Comments:

Work Group 3

7. Develop pro forma partial termination provisions to allow an IC to structure its generation project in a sequence of phases.

Comments:

8. Reduction in project size for permitting or other extenuating circumstances

Comments:

9. Repayment of IC funding of network upgrades associated with a phased generation facility.

Comments:

10. Clarify site exclusivity requirements for projects located on federal lands.

Comments:

11. CPUC Renewable Auction Mechanism

Comments:

12. Interconnection Refinements to Accommodate QF conversions, Repowering, Behind the meter expansion, Deliverability at the Distribution Level and Fast Track and ISP improvements

a. Application of Path 1-5 processes

Comments:

b. Maintaining Deliverability upon QF Conversion

Comments:

c. Distribution Level Deliverability

Comments:

Work Group 4

13. Financial security posting requirements where the PTO elects to upfront fund network upgrades.

Comments:

14. Revise ISO insurance requirements (downward) in the pro forma Large Generation Interconnection Agreement (LGIA) to better reflect ISO's role in and potential impacts on the three-party LGIA.

Comments:

15. Standardize the use of adjusted versus non-adjusted dollar amounts in LGIAs.

Comments:

16. Clarify the Interconnection Customers financial responsibility cap and maximum cost responsibility

Comments:

17. Consider adding a "posting cap" to the PTO's Interconnection Facilities

Comments:

18. Consider using generating project viability assessment in lieu of financial security postings

Comments:

19. Consider limiting interconnection agreement suspension rights

Comments:

20. Consider incorporating PTO abandoned plant recovery into GIP

Comments:

CMUA opposes most strenuously the proposal by SCE to include 100% of abandoned plant recover in the CAISO Tariff. First, this is not an issue on which the CAISO should take a position, given that the CAISO has refused to engage on issues surrounding rate incentives and other rate issues involving Participating Transmission Owners. Second, SCE has raised this issue at FERC, which has treated it on a case-by-case basis. Indeed, SCE has received such relief from the standard FERC policy in several instances, further supporting the argument that there is no need to memorialize it in the CAISO Tariff. If SCE is concerned about unbounded risk (a concern that appears ill-founded based on past practice and precedent), the issue of whether a Participation Transmission Owner should be required to upfront any Network Upgrades necessitated by generation interconnection should be reconsidered.

Finally, CMUA looks forward to the day when transmission owners actually compete on price, including their willingness to take risk. Now is not the time to be removing the willingness of a transmission owner to take risk from the equation when it examines alternatives to build needed Network Upgrades.

Work Group 5

21. Partial deliverability as an interconnection deliverability status option.

Comments:

22. Conform technical requirements for small and large generators to a single standard

Comments:

23. Revisit tariff requirement for off-peak deliverability assessment.

Comments:

24. Operational partial and interim deliverability assessment

Comments:

25. Post Phase II re-evaluation of the plan of service

Comments:

New Topics since straw proposal

26. Comments on the LS Power issue raised in their comments submitted May 9, 2011 – Re. Conforming ISO tariff language to the FERC 2003-C LGIA on the treatment of transmission credits in Section 11.4 of Appendix Z.

Comments:

27. Correcting a broken link in the tariff regarding the disposition of forfeited funds.

Comments:

Other Comments:

1. If you have other comments, please provide them here.