

Stakeholder Comments Template

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

Submitted by	Company	Date Submitted
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This template was created to help stakeholders structure their written comments on topics detailed in the February 24, 2011 *Issue Paper 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 March 10, 2011. For the 21 topics listed below, we ask that you rank each with a score of 0, 1, 2, or 3 in the space indicated (a more detailed description of each topic is contained in the *Issue Paper* at the link, above).

- 3: For topics that are high priority and urgent.
- 2: For topics that are high priority but not urgent.
(i.e., topic could wait until a subsequent GIP stakeholder initiative).
- 1: For topics that have low priority.
- 0: For topics in which “the ISO need not bother.”

Stakeholders need not rank or comment on every topic but are encouraged to do so where they have an opinion. The ISO will assume that a stakeholder has “no opinion” on issues for which no rank is provided.

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

Comments on Items listed in GIP 2 Issue Paper:

1. Develop procedures and tariff provisions for cost-benefit assessment of network upgrades.

Rank 0-3:

3

Comments:

Clarify Interconnection Customer (IC) cost and credit requirements when GIP network upgrades are modified in the transmission planning process (per the new RTPP provisions)

Rank 0-3:

Comments:

2. Provide additional transparency regarding Participating Transmission Owner (PTO) transmission cost estimation procedures and per-unit upgrade cost estimates;

Rank 0-3:

Comments:

3. Clarify applicability of GIP for a generator connecting to a non-PTO that is inside the ISO Balancing Area Authority (BAA) and wants to have full capacity deliverability status.

Rank 0-3:

Comments:

4. Explore potential modifications to the triggers that establish the deadlines for IC financial security postings.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

6. Clarify ISO information provision to assist ICs.

Rank 0-3:

Comments:

7. Consider partial capacity as an interconnection deliverability status option.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

9. Provide for partial repayment of IC funding of network upgrades upon completion and commercial operation of each phase of a phased project.

Rank 0-3:

Comments:

10. Applying Section 25 of the tariff to conversions of grandfathered generating units to compliance with ISO tariff.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

12. Specify appropriate security posting requirements where the PTO elects to upfront fund network upgrades.

Rank 0-3:

Comments:

13. 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.

Rank 0-3:

Comments:

14. Clarify posting requirements for an IC that is already in operation and is applying only to increase its MW capacity.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

16. Clarify how GIP applies to storage facilities and behind-the-meter expansion of existing facilities.

Rank 0-3:

Comments:

17. Conform technical requirements for small and large generators to a single standard, and develop study methodology to determine voltage impacts pursuant to FERC's 2010 order on ISO's proposed new interconnection standards.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

19. Include operational impacts in assessing generation interconnection impacts.

Rank 0-3:

Comments:

20. Revise provisions for transferring queue position to a new IC.

Rank 0-3:

Comments:

Other Comments:

CPUC staff appreciates the opportunity to provide comment on the CAISO's Generator Interconnection Procedures (GIP) Phase 2 Issue paper¹ and the stakeholder discussion at the March 3, 2011 meeting. CPUC staff supports CAISO's effort to identify areas in the interconnection development procedures that CAISO is planning to prioritize in order to streamline and harmonize the GIP to benefit both small and large generators.

1. Are the five workgroups and their topic areas organized properly?

As CPUC staff stated on CAISO's March 3, 2011 GIP Phase 2 stakeholder meeting, the issue paper and CAISO's stakeholder meeting did not address some of the remaining issues to facilitate small generator interconnection that still need to be addressed in order to further streamline the small generator interconnection processes to the grid. At the time of CAISO's small generator interconnection filing, there was an urgency to complete the stakeholder process by certain calendar date with the understanding some of the remaining issues will be addressed later. As a result, CAISO's October 19, 2010 GIP filing to FERC failed to address some unresolved issues related to Fast Track and Independent Study Process that we believe CAISO can address now. CPUC staff believes that the current GIP Phase 2 stakeholder process is an appropriate forum to address the remaining issues to make the GIP process most efficient. Additionally, CPUC staff believes that

¹ California Independent System Operator, Generation Interconnection Procedures Phase 2 Issue Paper, February 24, 2011. <http://www.caiso.com/2b2f/2b2feae720cd0.pdf>

CAISO's GIP can influence directly and indirectly California utilities' interconnection processes such as WDAT² and Rule 21³.

CPUC staff believes that the CAISO's GIP amendment that was filed on October 19, 2010 require further discussion for some improvement via a separate working group of stakeholders representing the CAISO, small generators, utilities, and CPUC/CEC staff. The study group should explore additional ways to encourage more renewable and small generator interconnection to the grid. Without providing too many specifics and based on stakeholder discussion, the CPUC staff believes that the new working group can focus further in areas such as how to shorten the timeline for the cluster study process, the feasibility of two cluster windows a year, and whether the MW threshold should be raised beyond the current 5 MW to meaningfully allow more projects under fast track.

2. Are there other topics that you believe should be considered for the scope of GIP 2?

See Answer 1.

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

Ideally CPUC staff believes that having a separate work group to address these issues will be best. However if the creation of a second study group is not feasible, CPUC staff requests that the issues raised by the CPUC staff can be addressed as part of a sub-group of Work Group 2 (LGIP Queue and Study Process). In that case the CPUC staff would participate in Study Group 2.

² Wholesale Distribution Access Tariff provides the rate methodology and terms and conditions for wholesale transmission over utility's distribution facilities.

³ Rule 21 describes the interconnection, operating and metering requirements for generation facilities to be connected to a utility's distribution system, over which the CPUC has jurisdiction.