Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the 2018 IPE stakeholder initiative Straw Proposal posted on May 9, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due June 4, 2018 by 5:00pm (extended to June 8 by 5:00 p.m.)

The straw proposal posted on May 9, 2018 and the presentation discussed during the May 21, 2017 stakeholder meeting can be found on the CAISO webpage at the following link: http://www.caiso.com/informed/Pages/StakeholderProcesses/InterconnectionProcessEnhancements.aspx

Please use this template to provide your written comments on the Issue Paper topics listed below and any additional comments you wish to provide. The numbering is based on the sections in the Issue Paper for convenience.

4. Deliverability

4.1 Transmission Plan Deliverability Allocation

In summary, the main components of the CAISO reform proposal on this IPE-2018 item would create a new priority order for allocating Transmission Plan Deliverability (TPD) capacity to generation projects. The proposed plan would clearly distinguish among generation projects based on their commercial status when allocating TPD capacity to these projects as opposed to the current scheme in which a complex scoring mechanism based on projects' performance in a number of development activities, such as commercial contracting, environmental permitting, and land control establishes the allocation

priority. The CAISO proposal also should improve, albeit modestly, the chances that an existing Energy Only (EO) project would receive deliverability as part of the CAISO annual TPD capacity allocation process. The CAISO proposed priority system for TPD allocation is presented in the table below.

Allocation Group	Project Status	Commercial Status
1	Study/Parking Process	Executed or regulator-approved PPA or interconnection customer itself is LSE
2	Study/Parking Process	Shortlisted in an RFO process
3	Study Process (Following Ph.II Only)	Proceeding without a PPA (formerly Balance Sheet Financing)
4	Converted to Energy Only	Executed or regulator-approved PPA
5	Converted to Energy Only	Shortlisted in an RFO process
6	Converted to Energy Only	Commercial operation achieved
7	Energy Only	Commercial operation achieved

CalWEA has the following recommendations regarding this prioritization scheme:

1. At the conclusion of the Phase 2 study, CAISO should allow projects with demonstrated "productive" commercial activities (e.g., advanced bilateral negotiations with one or more LSEs), subject to verification by the CAISO (e.g., attestation by the LSE), also to be included in Allocation Group 3;

2. CAISO tariff, or at least the BPM, should clearly spell out how TPD capacity allocation would be prioritized within each Allocation Group;

3. To place LSE-developed resources in Allocation Group 1, CAISO should require the LSE to demonstrate (similar to a regulator-approved PPA for an IPP project) that the project is needed to meet the LSE's own demand;

4. A project proceeding without a PPA should be allowed to delay COD beyond 7 years if it can be demonstrated that the source of the delay is outside of its control (e.g., PTO delay in construction of interconnection facilities or distribution or network upgrades, or delays in securing environmental permitting);

5. A project proceeding without a PPA that parks the EO portion of its project should be allowed to change the status of its project to a "PPA-approved" project if, during the parking period, they can secure a PPA;

6. EO projects in Allocation Groups 6 and 7 should be allowed to apply for TPD allocation and deliverability capacity upon GIA execution, not necessarily waiting until COD;

7. EO projects in Allocation Groups 4 through 7 should be allowed to finance a Local Delivery Network Upgrade (LDNU) or distribution upgrade (subject to existing refund rules) that are needed to allow them to receive a TPD allocation rather than being summarily rejected just because they are situated behind a local grid bottleneck – at a minimum, these EO projects should be allowed to finance LDNUs that were once triggered by an earlier queued project that are no longer deemed necessary; and

8. Under very strict conditions proposed below, an operating EO/PCDS project with a GIA should be allowed to re-enter the queue and go through a complete interconnection study process to receive increased deliverability. The conditions that CalWEA would suggest are:

    - The project has achieved COD;
    - The project has been compliant with all market and system operation rules since reaching COD; and
    - The project can show a commercial reason (e.g., a regulator-approved PPA) for increasing its deliverability level.

4.2 Balance Sheet Financing

In addition to our comments on topic 4.1 that indirectly touch on the subject of TPD capacity allocation for Balance-Sheet-Financed (BSF) projects, CalWEA has the following additional recommendations:

1. CAISO should make clear that the removal of the balance-sheet-financing option and all of its features is on a prospective basis only; and

2. CAISO should explain how the current balance-sheet-financed projects will be treated in the annual commercial viability and quarterly project status updates.

4.3 Participating in the Annual Full Capacity Deliverability Option

CalWEA's comments on this topic are included above in response to 4.1.

4.4 Change in Deliverability Status to Energy Only

CalWEA fully supports the CAISO proposal on this topic subject to the following straightforward clarifications and refinements:

1. A project should be allowed to request a reduction in its deliverability level rather than totally giving up all its deliverability capacity to become an EO project; and

2. If the need for deliverability upgrades for a project is eliminated as a result of the project reducing its deliverability level, and no other queued project needs the upgrade either, the project's responsibility for the upgrades should be removed.

4.5 Energy Conly Projects' Ability to Re-enter the CAISO Queue for Full Capacity

CalWEA's comment on this topic was presented above in response to topic 4.1.

4.6 Options to Transfer Deliverability

CalWEA fully supports the CAISO proposal to clarify the methodology for deliverability transfers. We request, however, that the existing deliverability level of all projects be published individually as a MW figure (based on the MW number under which the project was studied) rather than simply as a percentage of a nebulous and changing qualifying capacity figure.

5. Energy Storage

5.2 Replacing Entire Existing Generator Facilities with Storage

CalWEA did not originally present a position on this topic. However, we offer a few comments at this time:

1. The "automatic" acceptable level of converting generation resource capacity (after the project signs its GIA) to storage should be 25% (rather than the current 10%), subject to a standard material modification assessment (MMA). This would be similar to the rules for behind-the-meter capacity expansion; and

2. 100% conversion of an existing project to storage should be allowed subject to the project adhering to CAISO charging instructions.

6. Generator Interconnection Agreements

6.1 Suspension Notice

CalWEA has no comment on this topic at this time.

6.2 Affected Participating Transmission Owner

CalWEA strongly recommends that CAISO reconsider its position regarding 4 (or more)-party GIAs. CAISO argues that "it is too complicated to delineate which provisions of the tariff apply to which participating transmission owners in a single agreement and the obligations in the GIA are much different than the obligations in a utility facilities agreement." In fact, this is precisely the reason why we should have 4-party GIAs that include all Participating Transmission Owners (PTOs), whether interconnecting or affected. Forcing the Interconnection Customer (IC) to sign and then maintain separate agreements with individual PTOs is not only extremely inefficient -- because the overwhelming majority of the agreement provisions are the same among all GIAs and each time one of them needs to be modified, the modification must be separately negotiated with each PTO -- but also there are obligations (the least of which is confidentiality) among the PTOs that cannot be managed in a separate GIA paradigm. As a result, the PTOs try to obligate the IC to enforce inter-PTO obligations, something that ICs are in no position to make happen. Once the pro-forma for the CAISO-jurisdictional 4-party GIA is agreed upon, CAISO can lead the 4-party GIA negotiations. Furthermore, the very few provisions that are different for the different PTOs can be placed in separate appendices to the 4-party GIAs.

6.3 Clarify New Resource Interconnection Requirements

CalWEA has no comment on this topic at this time.

6.4 Ride-through Requirements for Inverter based Generation

With the following two clarifications, CalWEA supports CAISO's proposal to no longer permit momentary cessation for new inverter-based generation during momentary drops in the system AC voltage and, during transient low voltage conditions, to require the inverters to give priority to reactive current to provide some voltage support to the system. The proposal would apply to existing resources only if projects repower or revise their inverters.

1. CAISO should find a regulatory/jurisdictional mechanism (e.g., working with FERC, PTOs and/or the CPUC) to make the proposed ride-though requirements applicable to all generation projects at all voltage levels and not only to those that happen to be connecting to the CAISO controlled grid; and

2. As for reporting requirements noted in the straw proposal (bottom of Page 41), CAISO should work to resolve redundant generator reporting requirements to both CAISO and NERC/WECC.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

CalWEA supports the CAISO's proposal to clarify the maximum cost responsibility of interconnection customers for network upgrades.

7.5 Shared SANU and SANU Posting Criteria Issues

CalWEA supports the CAISO's proposal to clarify the GIDAP BPM on the issue of stand-alone network upgrades (SANU), making clear that sharing a SANU (assuming it is otherwise "stand-alone") is not prohibited, and that PTOs may make this determination on a case by case basis or establish their own criteria for SANU cost allocation.

7.6 Clarification on Posting Requirements for PTOs – Final Proposal

CalWEA has no objection to the CAISO proposal regarding posting requirements for PTOs developing generation projects provided that, as we noted above, the PTO offers documentation that the upgrades are required to meet the PTO's own load.

7.7 Reliability Network Upgrade Reimbursement Cap

CalWEA does not have a position on the CAISO proposal on this topic at this time.

7.9 Impact of Modifications on Initial Financial Security Posting

CalWEA fully supports the CAISO proposal on this topic, which states: "The CAISO believes that if engineering judgement can definitively determine that a required upgrade in an interconnection customer's Phase I study report is no longer needed due to the withdrawal or changes to earlier queued projects or other system changes, and that determination is made in advance of the initial IFS posting due date, the interconnection customer should not be required to post IFS for that upgrade."

8. Interconnection Request

8.1 Study Agreement – Final Proposal

CalWEA generally supports the proposed clarifications and clean-up of the GIP Study Agreement (GIPSA) language. However, we request that the IC be allowed at least 5 business days (preferably 10 calendar days) to complete the GIPSA with the final POI and size for the project. As we have stated previously, the scoping meeting is one of the most important components in the generation interconnection process. The information gathered at the scoping meeting allows all parties, and particularly the IC, to make significant improvements in the details of the interconnection application (or withdraw the application) for the benefit of all parties involved including the ratepayers.

8.4 Project Name Publication

As stated on the last stakeholder call, CalWEA recommends that only upon the approval of the IC should the IC's name and project name be included in the CAISO public queue data, with one possible exception: CAISO could publish the IC's name and project name for projects that have filed their executed GIAs at FERC.

Most ICs consider this information to be commercially sensitive information that should not be widely shared with potential competitors. Identifying projects could also invite unwanted solicitations from equipment and service vendors.

9. Modifications

9.1 Timing of Technology Changes

While CalWEA understands the general reasoning behind CAISO's proposal "to create an absolute prohibition on technology changes that change the project fuel type for interconnection customers that have (or are requesting) a commercial operation date beyond the 7/10 year threshold anticipated by the CAISO tariff," we wonder whether such an absolute position is warranted particularly under circumstances where a project's timeline was extended for reasons not attributable to the project – for example, due to delays in PTO construction of the needed network upgrades or delays in environmental permitting. Instead, CalWEA recommends that CAISO put a condition on such technology-change requests requiring the project, at the time of MMA request, to demonstrate commercial viability and to provide a clear line of site to meeting the project COD if the technology-change MMA is approved. For example, it might show that the equipment for the project with the new fuel type is already under order or will be ordered within 5 business days of a conditional MMA approval.

9.2 Commercial Viability – PPA Path Clarification

CalWEA's position on this topic was presented in response to topic 4.1.

9.3 PPA Transparency – Final Proposal

CalWEA continues to support CAISO's proposal to move the demonstration requirements for commercial viability from the BPM to the tariff for greater transparency.

9.4 Increase Repowering and Serial Re-Study Deposit– Final Proposal

CalWEA has no comment on this topic at this time.

9.5 Clarify Measure for Modifications After COD – Final Proposal

CalWEA supports CAISO's proposal to clarify in the LGIA and SGIA that modifications requested prior to COD will be approved based on the material modification assessment in the GIDAP, and modifications requested after COD will be approved based on the criteria in Section 25 of the CAISO tariff, and to enable downsizing generation projects after COD.

9.6 Short Circuit Duty Contribution Criteria for Repower Projects

CalWEA strongly supports CAISO's proposal to apply more consistent criteria in short circuit duty tests for repower and modification requests. At the same time, we request that the Participating PTOs be required to pre-specify "the [SCD] amount that would be flagged by the Participating TO" for the purpose of determining whether the increase of the short circuit duty at network breakers will be considered an adverse impact.

10. Additional Comments

On topic 7.2 "ITCC for Non-cash Reimbursement Network Upgrade Costs," the justification offered at the last stakeholder call for SCE continuing to collect ITCC for non-cash reimbursable network upgrade costs was the requirement by the CAISO tariff. CalWEA is unable to find such a requirement in the CAISO tariff and would like to ask CAISO to identify that part of its tariff that distinguishes between cash reimbursable and non-cash reimbursable network upgrade costs when it comes to collection of ITCC.

On topic 7.3 "Financial Security Postings and Non-Refundable Amounts," CalWEA fully supports CAISO's proposal "to eliminate the conditions for partial recovery of interconnection financial security upon withdrawal of interconnection request or termination of GIA as detailed in section 11.4.1 of Appendix DD."

On topic 8.6, CAISO should establish study processes that determines projects comnpliance with FERC Order 827 under normal operating voltage (typically from 0.95 to 1.05 PU) at the POI and not contingency based operating voltages such as 0.9 PU. Projects should be allowed to reduce their MW output to meet FERC Order 827 requirements under contingency based operating voltages such as 0.9 PU.