

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 July 5, 2011 *Revised 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 July 14, 2011 so that there will be time to include them in Board documents.

Your comments will be most useful if you provide the reasons and the business case for your preferred approaches to these topics.

Please also respond to the question “Do you support the proposal?” for each item listed below.

Comments on topics listed in GIP 2 Draft Final Proposal:

This document contains the Clean Coalition's comments on the CAISO's Revised Draft Final Proposal for Generation Interconnection Procedures 2 (GIP 2), posted on the CAISO website on June 30, 2011. Our main comments are as follows:

- Clean Coalition is pleased to hear that ISO plans to identify and develop information that can be posted and maintained on ISO's website; transparency and accessibility of information is invaluable for process evaluation and stakeholder operations. We would, however, encourage ISO to continue to engage stakeholders throughout the process to improve data transparency, rather than conducting a purely internal investigation into the issue.
- Clean Coalition continues to encourage the ISO to learn from the best practices currently available in the marketplace and to meet or exceed these. For example, in previous comments we have cited Pacificorp's extensive sharing of interconnection information as a good example for ISO to emulate. We have not, however, learned anything from ISO in this process as to how much the Pacificorp example, or any of the other examples given, could be emulated.
- Clean Coalition continues to support the repayment of interconnection customer funding of network upgrades associated with a phased generation facility because ratepayers will benefit equally from a 20 MW wind project whether it is built as a phase of a larger project or as a stand alone project.
- Clean Coalition is disappointed that RAM interconnection queue requirement issues will not be resolved by the August Board meeting, and will instead continue on its own track. CAISO should resolve the RAM interconnection queue requirement issue as soon as possible.
- Clean Coalition still believes that CAISO should impose clear "anti-splitting rules prohibiting larger projects from splitting into many 5 MW projects to qualify for Fast Track.
- Clean Coalition continues to strongly support the "safe harbor" suggestion in the Straw Proposal, under which distribution-interconnection renewable energy projects under a certain size would be presumed to have full capacity deliverability. We recommend that 5 MW be the initial threshold, matching the Fast Track limit for CAISO and PG&E.
- Clean Coalition supports uniformity of standards where this has significant value and does not create inequitable burdens on some generators.

Work Group 1

The ISO has determined that WG 1 topics should be taken out of the GIP 2 scope and addressed in a separate initiative with its own timeline

Work Group 2

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Yes.

Comments:

The Clean Coalition supports providing this option to developers and we support the criteria ISO proposes for allowing deliverability for projects connecting to non-PTO systems.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

6. Information provided by the ISO (Internet Postings)

Do you support the proposal?

No. We request that additional information be made available through the CAISO website.

Comments:

The Clean Coalition is pleased to hear that ISO plans to identify and develop information that can be posted and maintained on ISO's website; transparency and accessibility of

information is invaluable for process evaluation and stakeholder operations. We would, however, encourage ISO to continue to engage stakeholders throughout the process to improve data transparency, rather than conducting a purely internal investigation into the issue. We understand ISO has some limitations imposed by CEII issues but it seems clear from the robust information sharing in some other jurisdictions around the country that CEII issues can be respected while also allowing far more sharing than ISO currently practices.

As we commented in prior filings with the CAISO and the FERC, increasing the interconnection information made available to the developer community (“Grid Transparency”) benefits all parties since a more informed developer community will present the CAISO with higher quality interconnection requests, resulting in less dropped projects and, therefore, less analysis time waste by CAISO and the IOUs. This is particularly important now that the SGIP has been collapsed and the time penalty for dropping a project and entering a later cluster has become more severe.

We also believe that more information should be provided on the current queue (“Queue Transparency”). FERC agreed with us in their 2010 order conditionally accepting CAISO’s proposal, stating (p. 23): “As discussed below, because we share [the Clean Coalition’s] interest in seeing how the Fast Track and ISP mechanisms develop as they are integrated into the new GIP, we will require CAISO to incorporate an informational update on these two processes as a part of CAISO’s existing LGIP quarterly reports.”

We think that the information provided in the first quarter 2011 is a good starting point and are encouraged to see mention of the projects applying for Fast Track and ISP. With regard to Fast Track, we would encourage the ISO to provide information similar to what is provided in its interconnection queue, including date of application received, project size, project type (solar, wind, etc), IOU territory, location, point of interconnection, and date that the application was either withdrawn or passes/fails Fast Track. In fact, as the CAISO acknowledges in its May 1, 2011, the “Commission directed the ISO to include in its reports the size and type of generator interconnection requested under the Fast Track process [and] the proposed location of the generator” so it is unclear to use why this information was not provided in that same report. Additionally, in the event that Fast Track is failed, we would ask the CAISO to provide detailed information on what caused the failure. In terms of the ISP, we recommend release of as much information as is practical in the event of withdrawal or failure so that the causes of these outcomes can be identified and understood, and so that we may learn how this new process is working.

The Clean Coalition continues to encourage the ISO to learn from the best practices currently available in the marketplace and to meet or exceed these. In previous comments we have cited Pacificorp’s extensive sharing of interconnection information as a good example for ISO to emulate. We believe that this, and other examples to learn from include:

[Pacificorp](#)

As mentioned previously, Pacificorp publicly releases System Impact Studies and Facilities Studies:

<http://www.oasis.pacificorp.com/oasis/ppw/lgia/pacificorplgiaq.htm>

PG&E RAM Program Map

We believe the PG&E map is a good starting point, although the information needs to be taken down to the individual line segments, rather than just on a circuit level.

<http://www.pge.com/b2b/energysupply/wholesaleelectricssolicitation/PVRFO/pvm.ap/>

Ontario Power Authority

The Ontario Power Authority System was an early leader in releasing map-based information and has had some issues in terms of disparities between the information provided on the maps and the real life experiences of developers. Given the OPA's leadership role in information sharing and issues along the way, they may have some valuable information to share with the ISO on this issue.

<http://fit.powerauthority.on.ca/ontario-transmission-system-map>

Midwest ISO

Other stakeholders have referenced the higher levels of information availability on Midwest ISO public site. Again, this may be useful guidance for the CAISO.

<https://www.misoenergy.org/Planning/GeneratorInterconnection/Pages/InterconnectionQueue.aspx>

Work Group 3

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Yes.

Comments:

The Clean Coalition supports this additional flexibility for developers to be reimbursed for network upgrades because we see no downside to allowing phased reimbursement. Ratepayers will benefit equally from a 20 MW wind project whether it is built as a phase of a larger project or as a stand alone project.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

11. CPUC Renewable Auction Mechanism

Do you support the proposal?

Yes.

Comments:

The Clean Coalition appreciates the CAISO's efforts to support the CPUC RAM process. While we accept that the RAM interconnection queue requirement will not be settled by the August Board meeting, and will instead continue on its own track, the Clean Coalition encourages the CAISO to resolve this issue as soon as possible.

In addition to addressing the "Active Interconnection Request" requirement of the RAM in this separate track, we also feel the CAISO can help to address the issue of *de facto* deliverability requirements being imposed by IOUs in the RAM process. Specifically, we ask the CAISO to provide more information on the concept of a "Safe Harbor" whereby a project that is equal to or less than a certain size could be presumed Deliverable. (This issue was discussed briefly in the CAISO's Straw Proposal dated April 14, 2011.) For example, could assumptions be made about generation profiles and project size relative to peak load that could allow a smaller solar project to be presumed Deliverable? Are there stopgap assumptions that could be used to bridge the near-term IOU needs regarding deliverability in the RAM and the longer-term deliverability certainty that will come as the cluster studies progress? Would it be practical to assign an aggregate deliverability determination to multiple smaller projects such that 90% of their combined output would be initially classified as deliverable, for example?

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

Do you support the proposal?

No.

Comments:

The Clean Coalition strongly supports the ISO's proposal to allow Fast Track for repowering of existing facilities. We see many merits to this option and envision no downsides. However, we continue to urge the ISO to impose clear "anti-splitting" rules akin to what had been in place for SGIP before SGIP was merged with the LGIP. In other words, the ISO should create clear rules prohibiting larger projects from splitting into many 5 MW projects to qualify for Fast Track. These rules should not be overly draconian, but should prevent obvious abuses of this expedited process.

b. Maintaining Deliverability upon QF Conversion

Do you support the proposal?

Comments:

Clean Coalition has no comment.

c. Distribution Level Deliverability

Do you support the proposal?

Comments:

The Clean Coalition continues to strongly support the "safe harbor" suggestion in the Straw Proposal, under which distribution-interconnection renewable energy projects under a certain size would be presumed to have full capacity deliverability. We recommend that 5 MW be the initial threshold, matching the Fast Track limit for CAISO and PG&E. We support this change because of our concerns about PTOs' increasing demands (sometimes with CPUC approval) that renewable energy projects obtain fully capacity deliverability in order to obtain a PPA. This condition is being sought by PTOs in the new RAM program and if the CPUC allows this demand to stand it will reduce any bids into the RAM program in the first year to a tiny trickle because almost no renewable energy projects have obtained full capacity deliverability to date (as revealed by the CAISO queue). If the safe harbor proposal is adopted for 5 MW and below, a dramatic increase in possible bids would occur and the interconnection process for 5 MW and below projects would be further streamlined.

Work Group 4

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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.

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Yes.

Comments:

Clean Coalition strongly supports clear and predictable cost and liability determination.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Yes.

Comments:

Clean Coalition is concerned that this may disproportionately impact smaller projects least able to bear the flat rate cost. If this can be addressed, we would not object.

19. Consider limiting interconnection agreement suspension rights

Do you support the proposal?

Comments:

Clean Coalition has no comment.

20. Consider incorporating PTO abandoned plant recovery into GIP

Do you support the proposal?

Comments:

Clean Coalition has no comment.

Work Group 5

21. Partial deliverability as an interconnection deliverability status option.

Do you support the proposal?

Yes.

Comments:

As a general principle, the Clean Coalition supports providing options where practical and allowing the market to establish the benefit. Partial deliverability appears to have potential value without imposing additional study costs.

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

Do you support the proposal?

In some cases.

Comments:

Clean Coalition supports uniformity of standards where this has significant value and does not create inequitable burdens on some generators. We recommend reviewing

technical requirements for alignment, however, we urge the ISO to consider avoiding imposing requirements on small generators where the incremental system benefit is not commensurate with the cost. In many cases, greater flexibility can be granted to smaller generators as their individual impact is negligible and their combined impact is mutually offsetting.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

24. Operational partial and interim deliverability assessment

Do you support the proposal?

Comments:

Clean Coalition has no comment.

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

Do you support the proposal?

Comments:

Clean Coalition has no comment.

Other Comments:

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

We expected GIP 2 to discuss “For Fee Feasibility Study,” which was discussed during the prior SGIP reform but was tabled by CAISO, with assurances that it would be revisited for future discussion in the next proceeding. We request that CAISO follow through on this previous assurance in this proceeding.