

Stakeholder Comments Template

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

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*

Submitted by	Company	Date Submitted
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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:

Comments:

2. 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: 1

Comments:

CAISO is considering additional scenarios in which the Transmission Planning Process could influence LGIP network upgrades. The language in Section 24.4.6.5 should continue to guarantee that any modifications to GIP network upgrades resulting from the Transmission Planning Process will not increase an Interconnection Customer's cost responsibility.

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

Rank 0-3:

Comments:

4. 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:

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

Rank 0-3: 3

Comments:

Many of the deadlines for IC financial security postings are related to the publication of a "final" report. However, the Phase I and Phase II reports

frequently require numerous substantive and important revisions after they are first published. The deadline for a financial security posting should not be set until CAISO publishes a truly “*final*” report, *i.e.*, one including all necessary revisions.

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

Rank 0-3:

Comments:

7. Clarify ISO information provision to assist ICs.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

10. 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:

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

Rank 0-3: 3

Comments:

Under the terms of a settlement recently approved by the California Public Utilities Commission in D.10-12-035 (QF Settlement), Generating Units with Existing QF Contracts that sign new settlement contracts will transition into compliance with the CAISO Tariff provisions. This transition will require generators to sign LGIAs. Existing CHP facilities that will sign LGIAs, but will continue to sell their total output to a Participating TO or an on-site customer, should not be required to sign affidavits or enter the GIP queue. Only if a CHP facility's capacity will be sold in the wholesale market should it be required to sign an affidavit in compliance with Section 25.2.

The CAISO Issue Paper considers the repowering of facilities that will have little impact on the grid. CAISO should not only consider ways to use the Independent Study Process (ISP) to facilitate such repowering but also the Fast Track Process. Both the ISP and Fast Track allow faster consideration of such projects while enabling CAISO to ensure the grid will not be impacted.

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

Rank 0-3:

Comments:

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

Rank 0-3:

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.

Rank 0-3:

Comments:

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

Rank 0-3: 2

Comments:

CAC/EPUC agree with the suggestion that a project that is already online, and is only adding or repowering capacity, should not need to post a second financial security posting. As stated in CAISO's Issue Paper, there is no need for a second financial posting requirement if the facility is already commercially operational. In response to the "counterargument" that a project may fall into bankruptcy or be sold off before funding the

upgrades, a threshold project size could be established to minimize this risk. For example, projects that increase a facility's capacity less than 20% of its current Pmax could be allowed to skip the second posting.

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

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

18. 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:

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

Rank 0-3:

Comments:

20. Include operational impacts in assessing generation interconnection impacts.

Rank 0-3:

Comments:

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

Rank 0-3:

Comments:

Other Comments:

1. Are the five workgroups and their topic areas organized properly?
2. Are there other topics that you believe should be considered for the scope of GIP 2?
3. If you have other comments, please provide them here.

Many of the issues presented in the issue paper could affect the rights of particular stakeholders without a stated intent to do so. Parties should be allowed to monitor via telephone the workgroups to which they are not a member and participate if necessary.