



California ISO
Shaping a Renewed Future

Interconnection Process Enhancements

Draft Final Proposal For Topics 6-12

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Interconnection Process Enhancements

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1 Executive summary

The Interconnection Process Enhancements (“IPE”) initiative is the latest in a series of stakeholder processes that the ISO has conducted over the past several years to continuously review and improve its generation interconnection procedures (“GIP”). The scope of the IPE initiative is such that fifteen GIP-related topics of concern to both the ISO and stakeholders are being addressed. From the beginning of this initiative, the ISO anticipated that the pace of development of proposals for each of the fifteen topics may differ and that final proposals on the various topics in this initiative may be completed in stages. More specifically, the ISO anticipated that the development of straw and final proposals on the queue management issues (i.e., topics 6-12) would be developed rather quickly whereas more time would be needed to work with stakeholders and develop straw and final proposals for the other topics.

This paper constitutes the ISO’s draft final proposal for topics 6-12 of the fifteen topics in this initiative. Two papers have thus far been issued in the IPE initiative – a scoping proposal on April 8 and an issue paper on June 3 – and stakeholders provided written comments to the ISO following each paper. Straw proposals on topics 6-12 were offered by the ISO in the June 3 issue paper. Based on written comments received from stakeholders on those straw proposals, the ISO has developed draft final proposals for topics 6-12 and offers these in this paper along with the associated proposed tariff language for each topic¹. Following publication of this paper and the proposed tariff language, the ISO will invite stakeholder feedback on both through a schedule detailed in this paper. The ISO anticipates presenting its final proposals for topics 6-12 to the ISO Board of Governors at its September meeting.

2 Introduction

The ISO launched the Interconnection Process Enhancements (“IPE”) initiative as part of its ongoing efforts to review potential enhancements to the ISO’s generator interconnection procedures (“GIP”). The IPE initiative was launched on April 8, 2013 when the ISO posted a scoping proposal which assembled a comprehensive list of potential topics for consideration and proposed that a subset of these topics comprise the scope of the initiative. Based on stakeholder feedback received following the release of the April 8 scoping proposal, the ISO added a few additional topics to the

¹ The proposed tariff language is attached as Appendix A.

scope of the IPE initiative and posted an issue paper on June 3 addressing the resulting scope of fifteen topics.

Table 1 provides a listing of these fifteen topics.

Table 1 – Scope of topics in the June 3 issue paper	
Topic No.	Topic Description
1	Future downsizing policy
2	Disconnection of first phase of project for failure of second phase
3	Clarify tariff and GIA provisions related to dividing up GIAs into multiple phases or generating projects
4	Improve the Independent Study Process
5	Improve the Fast Track Process
6	Provide for ability to charge customer for costs for processing a material modification request
7	COD modification provision for SGIP projects
8	Length of time in queue provision for SGIP projects
9	Clarify that PTO and not ISO tenders GIA
10	Timeline for tendering draft interconnection agreements
11	LGIA negotiations timeline
12	Consistency of suspension definition between serial and cluster
13	Clarity regarding timing of transmission cost reimbursement
14	Distribution of forfeited funds
15	Inverter/transformer changes

As explained in both the April 8 scoping proposal and the June 3 issue paper, the ISO anticipated from the beginning of the IPE initiative that the pace of development of proposals for each topic may differ—i.e., proposals for some topics may be developed rather quickly whereas more time may be needed to work with stakeholders and develop proposals for other topics. For example, the ISO expected that the pace of work on the queue management topics (i.e., topics 6-12) would be such to enable the proposals for these topics to go to the ISO Board for approval earlier than the non-queue management topics in this initiative. Consistent with this approach, the June 3 issue paper offered straw proposals for topics 6-12. Based on written stakeholder comments received on June 25, the ISO has developed draft final proposals for topics 6-12 and offers these in this paper. The remaining stakeholder process for topics 6-12 is discussed in section 3 of this paper. The stakeholder process for all other topics in the IPE initiative (i.e., topics 1-5 and 13-15) will be explained in the straw proposal paper on those topics that the ISO is planning to post on July 18 per the schedule included in the June 3 issue paper.

The ISO is also taking this opportunity to announce a GIP dedicated tariff clarification stakeholder process. Due to the number of GIP related tariff amendments in the last year, the ISO has identified the need to clarify and correct the tariff in several respects. These issues were not

identified early enough to be included in the ISO's most recent tariff clarifications filing.² The ISO will be publishing the proposed tariff clarifications on Monday, July 15. The ISO will be requesting comments by August 7 on both the IPE topics 6-12 tariff language and the miscellaneous GIP tariff clarifications and will discuss the comments during a stakeholder call on August 14.

3 Stakeholder process and next steps

The purpose of this paper is to present the ISO's draft final proposal for the queue management topics in the IPE initiative (i.e., topics 6-12) and the associated proposed tariff language for each topic. Following publication of this paper and the proposed tariff language, the ISO will invite stakeholder feedback on both. The detailed schedule for soliciting this stakeholder feedback is provided in Table 2 below. The ISO anticipates presenting its final proposals for topics 6-12 to the ISO Board of Governors at its September meeting.

Step	Date	Milestone
IPE scoping proposal	April 8	Post scoping proposal
	April 15	Stakeholder web conference
	April 22	Stakeholder comments due
IPE issue paper (served as a straw proposal for Topics 6-12)	June 3	Post issue paper
	June 11	Stakeholder web conference
	June 25	Stakeholder comments due
Draft final proposal for Topics 6-12	July 2	Post draft final proposal for Topics 6-12 (including proposed tariff language as Appendix A)
	July 10 (1:00-2:30)	Stakeholder web conference (on draft final proposal for Topics 6-12)
	July 16	Stakeholder comments due (on draft final proposal for Topics 6-12)
Tariff development	July 15	Post draft tariff language for miscellaneous GIP tariff clarifications
	August 7	Stakeholder comments due (on tariff language associated with the draft final proposal for Topics 6-12 posted on July 2 in Appendix A and tariff language for miscellaneous GIP tariff clarifications)

² See ISO documents relating to the April 12, 2013 tariff clarifications filings and FERC orders at: <http://www.caiso.com/Documents/Apr%202012,%202013%20Tariff%20amendment%20-%20tariff%20clarifications%20-%20docket%20no%20ER13-1274-000>.

Step	Date	Milestone
	August 14	Stakeholder web conference (on tariff language associated with the draft final proposal for Topics 6-12 posted on July 2 in Appendix A and tariff language for miscellaneous GIP tariff clarifications)
Board	September 12-13	Board of Governors meeting for IPE Topics 6-12

Thus, according to Table 2, the ISO will hold two stakeholder web conferences—one on July 10 that will focus on the draft final proposal paper itself and another on August 14 that will address both the proposed tariff language associated with the draft final proposal paper (attached as Appendix A) and the tariff language for the miscellaneous GIP tariff clarifications to be posted on July 15. With regard to written stakeholder comments, the ISO is requesting that stakeholders submit their written comments on the draft final proposal by July 16 and their written comments on the tariff language attached as Appendix A by August 7. This is consistent with the ISO’s standard practice of receiving written stakeholder comments on proposal papers after the stakeholder meeting on a proposal paper and receiving written stakeholder comments on proposed tariff amendments prior to the stakeholder meeting on tariff language.

4 ISO’s draft final proposal for Topics 6-12

This section presents the ISO’s draft final proposal for topics 6-12. The associated proposed tariff language is presented in Appendix A.

4.1 Provide for ability to charge customer for costs to review material modification requests

The ISO’s straw proposal on this topic as presented in the June 3, 2013 issue paper was to expand the existing cost recovery mechanisms similar to the re-study mechanism of serial projects in the ISO tariff to provide for cost recovery of modification requests. In addition the ISO proposed that the tariff be amended to allow for the use of existing study funds that have already been deposited, if applicable, if the modification deposit amount has not already been spent for studies, and clarify that, except for modifications explicitly permitted during the study process, all modifications will require a material modification review.

4.1.1 Stakeholder comments

Comments received on this topic from stakeholders in response to the topic 6 straw proposal in the June 3rd issue paper included the following:

California Public Utilities Commission (CPUC) - A fixed fee is attractive but probably unworkable (or undesirably high) due to the wide range of possible modification assessments. However, it might be possible to have a predictable fixed fee cap (effectively a deposit cap), combined with sufficient documentation of actual costs as a basis for determining subsequent refunds. Existing study funds could be used for modification assessments to the extent that interconnection customers requesting modification assessments have made study deposits in excess of what is needed to cover their study costs. Any deposit (after subtracting modification assessment costs) should be refunded at the end of the modification assessment. Deposit forfeitures for failing to achieve COD are already addressed in other ways.

Independent Energy Producers (IEP) - IEP believes that the cost for processing a modification request should be based on actual costs with a cap/not-to-exceed price, where actual costs are charged against the deposit. IEP is concerned about, but not necessarily opposed to, the use of study funds for two reasons. First, certain interconnecting customers may desire to track their costs independently or may have received internal authorizations for funds to be used for specific purposes. Mixing these uses may not be to their liking. Secondly, it may come to pass that a customer making a material modification request has insufficient funds in their study deposit account which would trigger the need for additional study funds. IEP believes this question may be most equitably addressed by allowing the interconnecting customer to make that decision at the time of their material modification request, wherein they are provided with (a) a not-to-exceed cost for the material modification request and deposit requirement [if different than the NTE cost], and (b) the balance of their existing study funds. From there, the customer should have the choice to use existing funds or start a new fund explicitly for the modification request. Any remaining funds from the modification request deposit should be refunded at the end of the modification assessment.

Southern California Edison (SCE) - The costs for modification requests should be a fixed fee based on a reasonable estimate of the actual costs incurred to process such requests, including, but not limited to, the review to ensure the completeness of the requests and the work performed by engineers to determine if there are any material impacts to other generation projects in the queue. A separate deposit should be required for modification assessments and the existing study deposits should not be used. SCE proposes a fixed fee, which will eliminate the administrative burden of deposits and true-ups to actual costs, and refunds.

Pacific Gas & Electric (PG&E) - PG&E believes a fixed fee is the most appropriate mechanism to process material modification requests. The fee should be divided between the ISO and the PTO processing the request, with a fixed percentage going to each to defray costs associated with the request.

PG&E is in the process of analyzing estimated resources devoted to material modification requests, and anticipates having enough data to provide a generic PG&E cost estimate associated with

material modification requests. Study funds aren't always available to process these assessments to study funds should not be relied upon. Material modification requests often occur after studies have been completed and Generator Interconnection Agreements are executed, and study funds aren't available for use after the Phase II is complete. While PG&E prefers a fixed fee option, if the ISO adopts cost recovery against a deposit, excess funds should be returned at the time an Generator Interconnection Agreement is amended following a material modification request, or when the request is otherwise approved.

Large-scale Solar Association (LSA) - The questions seem to treat this issue as a foregone conclusion, i.e., they assume that charges will be assessed and based on the current charge processes, with the only questions being how the charges are assessed and collected. LSA does not object to reasonable charges for MMA³ studies. However, LSA has long objected to the lack of certainty and transparency in the current processes and objects strongly to extending those processes to MMA studies without changing them. Charges for current studies are a complete "black box," and those funding them should reasonably expect more information than an after-the-fact bill.

Specifically, LSA seeks no more from the CAISO and PTOs than one would expect from a reasonable consultant study, e.g.:

- Binding study cost estimates (or at least a range), known in advance, and/or cost information for similar past studies; and
- Explicit hourly charges (and after-the-fact total costs) for different functions or labor types, including overhead charges.

In addition, LSA would only support MMA charges in conjunction with identification of project changes that would not be subject to MMAs, including project phasing (see above) and other items identified in Issue #15 below. Moreover, LSA believes that, if charges are assessed for MMA studies, those studies should be conducted in an orderly and transparent process; thus, LSA also supports development of standard MMA study and GIA modification timelines – similar to (but shorter than, of course) those applicable to the regular interconnection-study process – to ensure prompt study results and contract modifications.

This seems reasonable where a project has not already reconciled with the CAISO/PTO for its original study costs, but this should be an option at the IC's discretion. LSA does not believe that it must be one policy applicable to all. LSA sees no justification for the CAISO/PTO to retain any IC funds past the end of the study.

NRG - NRG does not support charging interconnection customers for Material Modification Assessments. The costs of such assessments should be paid for out of moneys already paid,

³ Material modification assessment.

including forfeited deposit fees. All funds should be return at the end of the modification assessment.

Six Cities - The charges for processing a material modification request should be based on actual costs charged against an initial deposit. Interconnection customers should pay for all actual costs incurred to process an interconnection request, including actual costs in excess of the deposit amount. Existing study funds may be used for modification assessments, but, again, the charges for processing a material modification request should be based on actual costs. Thus, if actual costs exceed available existing study funds, then the ISO should charge the interconnection customer for such amounts. Any amounts remaining from deposits to process modification requests should be refunded once the project achieves COD.

Wellhead - Actual costs since the study effort and difficulty of the special study will likely not be the same for all projects. Existing study funds are used for modification assessments to the extent there are unspent funds.

California Wind Energy Association (CalWEA) - Either proposal is acceptable to CalWEA although we prefer the concept of charging for actual cost incurred. Existing study funds should be used for modification assessments and study deposits should be refunded at the end of that modification assessment.

4.1.2 *ISO draft final proposal*

The proposal for this topic is to expand the existing cost recovery mechanisms in place for re-study of serial projects and apply a similar mechanism to the cost recovery of modification requests. A deposit of \$10,000 would be made to the ISO and then actual costs incurred by the ISO and PTO would be charged to the project's making the modification request. Based on comments from stakeholders, the ISO would propose that the interconnection customer may elect to either use study funds that have already been deposited with the ISO, if such funds are available and have not already been encumbered, or provide a separate deposit. Once each individual modification request is completed, including review for data completeness, engineering assessment, queue management documentation and approvals, and amendment of the interconnection agreement (if the request is approved), the interconnection customer will receive an accounting of the actual costs spent and a refund of any excess funds. The documentation for the work will include the total hours for each activity and total dollars for that activity on a per month basis. In addition the proposal will clarify that, except for modifications explicitly permitted during the study process, all modifications will require a material modification review.

As previously discussed, the ISO wants to provide more transparency into its modification review and process. To that end, within the context of addressing topic 15 in the IPE initiative, the ISO will provide additional detail on its process and the coordination with the PTOs, and commits to develop language that will be added to the GIP and GIDAP BPMs. The discussion will include the

reasoning behind the need to have certain changes approved (i.e. inverters), specific timelines already implemented, and an implementation program that is in the pilot phase that would allow for “block COD” for projects provided all the parties agree and the reliability network upgrades are completed.

4.2 Commercial operation date modification provision for small generator projects

The ISO straw proposal as described in the June 3rd issue paper was to amend the SGIP to allow a SGIA modification process for small generators generally similar to the modification process for LGIAs. The thought was that just because a project is 20 MW or less, a change to COD, point of interconnection or technology such as inverters should be allowed if there is no impact to other queue projects, and by revising the SGIA, this would allow a consistent application for the ISO and PTOs. In addition, the process should be similar to the large generation modification process already in place.

4.2.1 Stakeholder comments

Comments received on this topic from stakeholders in response to the straw proposal for Topic 7 in the June 3rd issue paper included the following:

CPUC - The availability of modifications for small generators should be similar to what is available for large generators. The treatment of small generators should be similar to the treatment of large generators in this regard. However, COD extension may be of limited value to small generators that participate in procurement programs (and associated standard contracts) requiring a relatively rapid (e.g., 24 months plus 6 months for delay) timeline for coming on line following PPA execution. If at some future time delay of required transmission upgrades beyond the COD were to be used as a contractually recognized basis for a delayed COD, then COD extension in the interconnection process could be more valuable. However, CPUC Staff hope that ways can be found to reduce the risk of delayed transmission upgrades (including identifying helpful developer actions), rather than accommodating such delays via COD extensions.

IEP - IEP would agree that small generation projects should be allowed to modify their project during the study process. IEP agrees generally with the spirit of the ISO’s suggested changes to the SGIP to allow for extensions of the COD for no more than 3 years – the intention being to bring this aspect of the SGIP in line with the LGIP, and that such change should not be deemed material.

IEP requests that the ISO confirm that the proposed SGIP changes that may flow from this topic will be made in consideration of the CPUC’s rules governing the Renewable Auction Mechanism (RAM) since those rules govern projects of similar size to the SGIP (up to 20 MW). In Resolution E-4582, May 9, 2013, the CPUC reaffirmed that renewable generation procured under the RAM must reach commercial operation within 30 months of regulatory approval (24 months + one-time 6 month

extension). The words “regulatory approval” are emphasized because the regulatory process is not by its nature predictable and in comparison to the LGIP and proposed SGIP time limits on queue position, could quite easily have a longer “queue life” (effectively from offer date to COD) than the proposed limit on SGIP. IEP would not be supportive of any changes in the length of COD delay that would advantage RAM projects over other SGIP projects.

LSA – LSA believes generally that small projects should be subject to the same rules, and afforded the same options, as large projects.

PG&E - PG&E believes that changes to the POI should still require the consent of all 3 parties (the PTO, the ISO and the IC). Changes to POI often result in changes to scope of work for the PTO, such as different rights-of-way, land acquisition or permitting requirements for the PTO, even if the electrical configuration remains the same. PG&E therefore wishes to retain the flexibility to evaluate changes to POI on a case-by-case basis. To the extent that modifications are non-material to the study results or to the eventual PTO scope of work, PG&E supports greater flexibility for changes.

PG&E believes material changes other than COD modification are out of scope for this topic. PG&E suggests addressing this through a new track in a future initiative to evaluate various types of material modification requests, and how they are processed. PG&E believes it is acceptable to make small generator COD provisions consistent with large generator provisions.

SCE – SCE does not oppose that small generators be afforded a similar mechanism to change their Commercial Operation Date (COD) through the modification process for their projects as a large generator is currently permitted to do, so long as there is no impact to other queue projects. In addition, SCE does not oppose this proposal, provided that it is structured in a manner that: (1) does not transfer any financing or operating risks to the PTO; (2) the change does not impact other queued projects; and (3) there is a benefit such as a reduction in costs or siting for making that change. SCE does not oppose small generators being allowed to modify their project during the study process. SCE does not oppose allowing small generators to extend their COD for three years from the COD in their interconnection request, similar to that which is allowed for large generators given the realities of the length of time in the queue for small generators, among other reasons.

Six Cities - As a general matter, the Six Cities do not oppose treating small generators comparably to larger generators. This includes affording small generators the ability to modify their projects on the same or substantially similar terms as are applicable to larger generators.

CalWEA –Support the change and in fact, CalWEA contends that even large generators should be allowed to change their POI under the same criteria. This change in POI should also be allowed if the project is willing to mitigate its material impact, if any.

4.2.2 *ISO draft final proposal*

The draft final proposal for Topic 7 is to revise Appendix S, SGIP, Appendix T SGIA, and the GIDAP SGIA to reflect the LGIP/LGIA language for modifications in Appendix U, Section 4.4.3.⁴ These changes will allow small generators to be treated similar to large generators with respect to project changes. The small generator will have the ability to request changes to COD, technology (inverters, manufacturer, conductor size, etc.), point of interconnection or change of ownership, and option to build standalone network upgrades, as examples. The request will be evaluated against the Material Modification standard and reviewed by the PTO prior to the ISO's written reply to the request.

While the ISO is proposing to allow this change, we do not believe it impacts the RAM program because it is a modification that the interconnection customer could request after the Phase II study results are completed. If the interconnection customer has a power purchase agreement that requires a COD within 30 months, the ISO presumes that such customer would not request a delay in their project. In addition, if during construction others changes need to be made to the project (i.e. inverters, point of interconnection, etc.) a small generator should be allowed to make modifications to meet the CPUC's 30 month timeline. We also believe by allowing small generators to make modifications including extending COD may help projects without a power purchase agreement to remain in the ISO queue longer and compete for additional programs as they arise without having to go through the study process again.

4.3 Length of time in queue provision for small generator projects

The ISO's straw proposal for this topic as described in the June 3rd issue paper was to add a new section to Appendix S, SGIP to allow 10 years in the queue from the interconnection request date to the in service date for serial projects, and 7 years in queue from the interconnection request date to the commercial operation date for cluster projects.

4.3.1 *Stakeholder comments*

Comments received on this topic from stakeholders in response to the straw proposal for Topic 8 in the June 3rd issue paper included the following:

CPUC – In principle, small generators should have the same time.

IEP - In concert with our comments in the prior topic, IEP would view an extension of COD as long as 3 years to potentially be at odds with the timeline the state has envisioned in similarly sized projects via the CPUC's Renewable Auction Mechanism.

⁴ Note: Similar to the discussion in Topic 6, modification assessments for SGIP projects would also provide for cost recovery.

LSA – As noted above, LSA believes generally that small projects should be subject to the same rules, and afforded the same options, as large projects. However, the 7-year development timeframe for projects going through the current expedited development processes (Independent Study and Fast Track) should be shortened to reflect their shorter study duration – otherwise, these projects would actually have longer development time limits than other projects. In other words, smaller projects should have the same post-study development timelines as larger projects.

SCE - SCE sees no good reason why there should be any difference between small generators and large generators as to length of time in queue. Similar to provisions that disallow suspension for shared network upgrades, an IC of any size should not be allowed to delay cost responsibility for shared network upgrades.

SunEdison - SunEdison believes that small projects should be subject to the same rules and similar duration for development timeline as the large projects (with seven years' timeline for development).

PG&E - PG&E supports providing small generators with the same amount of time to develop their project as a large generator.

Six Cities - As discussed above in connection with Topic 2, the Six Cities do not oppose treating small generators comparably to larger generators. This includes allowing small generators a period of time to develop their projects that is comparable to the period of time that larger generators are allowed to develop their projects.

4.3.2 ISO draft final proposal

Since the ISO is proposing that small generators be afforded the same opportunities to change their projects as large generators, the draft final proposal for this topic is to add a new section to Appendix S, SGIP to allow small generators to remain in the ISO queue for up to 10 years from their interconnection request date to their in service date for serial projects, and 7 years in queue for the COD of cluster projects.

A change is not required to Appendix DD, GIDAP because Section 3.5.1.4 covers both large generators and small generators with respect to the time allowed in the ISO queue.

4.4 Clarify that the Participating Transmission Owner and not the ISO tenders the generator interconnection agreement

The ISO's straw proposal for this topic as described in the June 3 issue paper was to clarify that the PTO tenders the GIA and not the ISO.

4.4.1 *Stakeholder comments*

Comments received on this topic from stakeholders in response to the straw proposal for Topic 9 in the June 3rd issue paper included the following:

IEP – IEP agrees that one entity should be responsible for tendering the GIA.

SCE - SCE does not oppose the suggested modification to the ISO tariff to properly reflect that the PTO tenders the draft GIA to the IC.

SunEdison - This change is acceptable, though SunEdison suggests that LSA encourage CAISO to be proactive in ensuring the PTOs issue GIAs to ICs in a timely fashion. Only by adhering to tariff timelines can projects be moved through the interconnection process at a speed commensurate with the timelines contained in PPAs.

Pacific Gas & Electric (PG&E) - PG&E supports this change.

4.4.2 *ISO draft final proposal*

The draft final proposal for this topic is to amend Appendix U, LGIP; Appendix Y, GIP; and Appendix DD, GIDAP GIP to reflect that the Participating TO, not the ISO, will tender draft LGIAs.

4.5 **Timeline for tendering draft generator interconnection agreements**

In the June 3rd issue paper, the ISO proposed to modify the starting date for the GIA tendering and negotiation process. Specifically, the ISO proposed to modify the trigger to tender the draft GIA 30 calendar days from the interconnection customer's Results Meeting as that term is defined in the GIP procedures.

4.5.1 *Stakeholder comments*

Comments received on this topic from stakeholders in response to the straw proposal for Topic 10 in the June 3rd issue paper included the following:

IEP - IEP is not concerned with changing the timeline for tendering draft interconnection agreements.

LSA - The suggestion to key issuance of the draft GIA to the Phase II Study Results Meeting seems reasonable in most cases. However, developers should have the option to self-prioritize their GIAs, in part, by electing to receive the draft within 30 days after the Phase II Studies. This election could be made after the Phase I Study, at the time when other elections are also made, to: (1) incorporate it into the current procedures; and (2) give the PTOs plenty of notice for which GIA drafts should be issued first.

SCE - SCE does not have an issue with the proposed change. To the contrary, SCE supports changing the trigger for tendering of GIAs from the current 30 Calendar Days (CD) from the issuance of the Phase II study reports to the newly proposed 30 CD from the IC Results Meeting.

SCE supports this change for two reasons. First, by making the IC Results Meeting the appropriate trigger, this change will allow changes resulting from the IC Results Meeting to be reflected in the draft GIA issued to the IC, rather than the current process whereby the draft GIA may need to be modified after the Results Meeting. Further, the current 30-day window for tendering a draft GIA after completion of the Phase II studies and the additional ninety days to negotiate a GIA are unrealistic due to the volume of interconnection requests processed at the same time given the cluster process.

SunEdison - SunEdison can support this change, but would emphasize that the wait for the GIA draft should be kept as short as possible because reaching the project kickoff meeting as quickly as possible is a critical component of project success.

Six Cities - The ISO's straw proposal – namely, to trigger the tendering of the GIA off of the Results Meeting date rather than the date the Interconnection Facilities Study or Phase II Study reports are provided – appears reasonable, and the Six Cities do not oppose the proposal.

Pacific Gas & Electric (PG&E) - PG&E supports this proposal.

CalWEA - CalWEA agrees with SCE/SDG&E on this point.

4.5.2 *ISO draft final proposal*

The draft final proposal for this issue is to trigger the tendering of the GIA off of the interconnection customers Results Meeting date as that term is defined in the LGIP or GIP procedures versus when the ISO provides the Interconnection Facilities Study report or Phase II Study report. With respect to stakeholder comments that interconnection customers that want to self-prioritize to receive their draft GIA, negotiate and execute on an accelerated timeline, the ISO believes we can implement that request without a tariff change provided all three parties agree to accelerate the schedule. The ISO will work with stakeholders as part of Topic 15 in the IPE initiative to outline a plan that could be implemented through the GIDAP BPM.

4.6 **LGIA negotiations timeline**

The ISO's straw proposal for this topic, as described in the June 3 issue paper, suggested to reword the 120 CD negotiation to include the term "best efforts" and proposed the following language: "The applicable Participating TO(s) and CAISO and the Interconnection Customer shall use best efforts to negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report." In addition, the ISO proposed to revise the trigger for tendering of GIAs, then the negotiation timeline should also be revised to trigger off of the results meeting versus the study reports to allow at least the same period for negotiation.

4.6.1 *Stakeholder comments*

Comments received on this topic from stakeholders in response to the straw proposal of Topic 11 in the June 3rd issue paper included the following:

CPUC - “Best efforts” language is too open-ended. Specification of target timelines would be preferable, recognizing there might be (there must be) reasons for exceeding the target timelines. Extension of the GIA tendering and negotiations timeline should require approval of (therefore be subject to veto by) the developer, providing a means to express interest in proceeding rapidly. This is consistent with CPUC Staff comments under Topic 7 [COD modification for small generators] for regarding the desirability of reducing transmission delays beyond the specified COD, particularly in those situations where interconnection customers “self identify” as needing to proceed rapidly.

IEP - IEP understands that historically the timeline for negotiations has surpassed the objective of 120 days stated in the tariff. However, given the existing capabilities for the three parties (PTO, ISO and customer) to negotiate a revised negotiations timeline, IEP does not understand why the ISO considers this an issue worthy of inclusion in this process. IEP agrees with triggering the negotiations off the results meeting and as a result of that additional time afforded by that change we reiterate our question in item 1 above. IEP agrees that the timeframe for providing the final GIA for execution should be changes to 10 BD and the Stakeholder information request sheets must be provided in advance. IEP is not concerned with the ISO’s process of written approval for timeline extensions.

LSA – LSA believes that the current more stringent language helps motivate the parties to move the negotiation process forward and opposes relaxing the requirement. In fact, LSA would support further definition of the steps within the 90-day negotiation period, e.g., time limits on turning around drafts. Subject to the same caveat as in Topic #10 above [timeline for tendering draft GIAs], i.e., if the developer elects to have its GIA issued within 30 days of the Phase II Study instead, the negotiation timeline should be keyed to this same trigger. The CAISO’s incorporation of information request sheet submission into the New Resource Implementation Checklist and process should facilitate the earlier submission required to implement this change. LSA is very concerned that the new process described by the CAISO has not resulted in any prioritization on the part of the PTOs.

While LSA appreciates the CAISO’s recognition of the problem, there is no sign that the measures described by the CAISO for its own process – redeploying resources (including management attention and effort) to expedite negotiation of agreements where developers do not agree to time extensions – have been implemented at all by the PTOs. In fact, in LSA members’ experience, the single biggest obstacle in concluding GIAs on a timely basis (aside from unrealistic studies with unreasonable results (e.g., 12-year DNU timelines) or attempted policy reversals (e.g., regarding DTT classification) has been decision-making and turnaround time for drafts by the PTOs.

LSA requests that the CAISO: (1) Allow developers to request their GIA drafts sooner; (2) set time limits for key steps within the 90-day negotiation period; and (3) work with the PTOs to help them incorporate the same kinds of prioritization actions that the CAISO has implemented itself.

SCE - SCE agrees with the “best efforts” guiding language for the PTO, ISO and IC to negotiate concerning any disputed provisions of the appendices of the draft GIA rather than maintaining the negotiations timeline as a firm deadline. SCE agrees, in order to maintain the existing, if not extended, intervals between the tendering of the draft GIA and the negotiation of the final GIA, in conjunction with changing the triggering event of the draft GIA off of the Results Meeting, the triggering event of the negotiations timeline should also be the Results Meeting. SCE opposes changing from the current 15-Business Day (BD) period to 10 BD from completion of the negotiation process for providing a final GIA for execution. The volume of interconnection request processed during a given a cluster cycle makes it very difficult, if not impossible, to meet the current 15-BD requirement as PTOs perform extensive due diligence to ensure the completeness and accuracy of the GIA. Truncating the period for providing a final GIA for execution would only serve to ensure that this milestone would not be met with greater frequency. SCE’s opinion is that the current process is working as far as parties agree to extend negotiations of the GIA. It appears the CAISO is overthinking this part. The current process is working well and does not need to be changed.

SunEdison - SunEdison supports enforcement of the 90-day negotiation period and believes that more stringent Tariff language is fully essential to complete contract negotiations in a timely manner and hence does not support the best effort language.

PG&E - PG&E does not take a position on this question. However, PG&E wishes to note that LSA’s prior written comments on this topic aren’t reflective of PG&E’s written proposal to build in provisions into the study agreement to allow PTOs to provide a-la-carte services to generators. PG&E maintains that providing a mechanism to allow more in-depth a-la-carte E&P style services during IA negotiation could be beneficial to all parties. PG&E would strongly oppose this change. Information request sheets are already provided in advance of finalizing negotiations, and given the volume of IAs PTOs are expected to process, it is important that PTOs have sufficient time to receive all necessary cross-departmental approvals once agreements are finalized. It is unreasonable to reduce this timeframe given the high volume of agreements PTOs are processing. The problem with three-party written agreement as a proxy for prioritization is that it occurs towards the end of the negotiation timeline, rather than upfront. Consequently, it doesn’t allow for appropriate PTO negotiation resource allocation, nor does it provide an upfront view towards timeline and workflow for the queued project negotiations – for PTOs, the ISO or generators.

CalWEA - CalWEA proposes that the IC, subject to verification by the CAISO, should be allowed to present the need for a speedy GIA negotiation and be placed in the “fast lane.” Projects whose ICs do not make that case would go into the “slow lane.” If a project in the slow lane later shows a

need to speed up its GIA negotiations, subject to verification by the CAISO, its negotiation process should be moved back into the “fast lane.”

4.6.2 *ISO draft final proposal*

The stakeholders make some valid points with respect to adding “use best efforts to” in the negotiation sections of the ISO tariff. As discussed in the stakeholder process to date, the ISO already has the ability to move the timeline if all of the parties agree. So with only one commenter supporting the change, the ISO is going to withdraw this piece of the proposed change for Topic 12.

With the draft final proposal discussed above that triggers the tendering of the GIA off of the interconnection customers Results Meeting, the ISO’s draft final proposal is that the negotiation period should also be triggered off of the Results Meeting. With respect to the negotiation process timeline, the comments received from stakeholders confused the PTO or IC time and the ISO time. Specifically, once all three parties have agreed that the GIA is final, the ISO is responsible for providing the final GIA to the interconnection customer and PTO for execution. Currently Section 11.2 of the GIP provides “The applicable Participating TO(s) and CAISO shall provide to the Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.” Thus, given that this only impacts the ISO, the draft final proposal is to decrease this period from fifteen (15) business days down to ten (10) business days from completion of the negotiation process provided the interconnection customers agree to provide information request sheets in advance of concluding the negotiation. In addition the ISO proposes to delete the reference to the Participating TO cited in the sentence above.

4.7 **Consistency of suspension definition between serial and cluster**

In the June 3rd issue paper, the ISO proposed updating the definition of suspension in the ISO’s pro forma LGIA applicable to serial projects (Appendix BB) to make it consistent with the ISO’s cluster and GIDAP LGIA versions by specifying that suspension extends up to 3 years from when the interconnection request was received, and only applies to PTO upgrades (Section 5.16 in LGIA) that do not impact other projects, and does not provide a day-for-day delay of the project.

4.7.1 *Stakeholder comments*

Comments received on this topic from stakeholders in response to the straw proposal for Topic 12 in the June 3rd issue paper included the following:

CPUC – As stated in the CAISO’s June 3 Issue Paper, the proposed greater restrictions regarding suspension of GIAs for serial queue projects should apply only where the GIA has not already been “substantially negotiated”. “Substantially negotiated” needs to be clarified. CPUC Staff requests clarification and consideration of whether limiting GIA suspension to “up to 3 years from when the interconnection request was received” essentially leaves no meaningful opportunity for GIA

suspension, in that a GIA is unlikely to have been executed before over two years have passed since the interconnection request was received. It is also unclear if the CAISO is proposing to apply similar suspension provisions for small (20 MW and below) generators, since other parts of this initiative are pursuing greater consistency of treatment between large and small generation projects.

IEP - As explained by the ISO during the stakeholder call held on June 11, 2013, the ISO's intention with this proposed change is to address a small number (2) of old serial projects that still do not have executed GIAs and whose position as serial projects allows them indefinite life in the queue. According to the ISO's explanation of this issue, and in correction to prior comments by the ISO and stakeholders on this topic, the proposed change would enforce a suspension time limit of 3 years from original COD (not interconnection request). The ISO's intention is to quickly move these projects into a GIA or out of the queue. IEP doesn't believe this issue is best addressed in this forum, however, we would ask the ISO to consider its need to make the proposed rule change if the suspended project(s) is still making its required financial contributions, some of which may mitigate the impact to later queued projects. IEP understands that dated projects impose a burden on the ISO and PTOs with respect to planning and estimated, if not actual, allocations of future deliverability. IEP is not convinced, however, that a post hoc change to the interconnection rules under which these projects entered the queue is justified. IEP would prefer that this issue not be addressed in this forum and rather the ISO work with those two customers, as has no doubt been the case up to this point, to get the projects into contract.

SCE – As long as the suspension by a serial project does not materially impact other queued projects, SCE does not oppose permitting serial projects to suspend. A serial project should not be permitted to suspend if doing so would impact the ability for later queue projects to achieve their COD. A serial project should not be permitted to suspend if doing so would impact the ability for later queued projects to achieve their full capacity deliverability status.

SunEdison - SunEdison supports LSA's position that more transparency is desirable to fully understand the criteria used for evaluation of suspension requests.

Six Cities - Suspension should be permitted only if there is no adverse impact to subsequently queued projects or the suspended project agrees to mitigate any impacts to subsequently queued projects. The Six Cities generally agree with the approach outlined in the ISO's straw proposal for this topic. Specifically, the ISO proposes limitations on the suspension provisions applicable to serial LGIAs to specify that suspension extends up to three years from the COD in the interconnection request and applies to PTO upgrades that do not impact other projects. As stated above, projects should be permitted to suspend only if there is no adverse impact to subsequently queued projects or the suspended project agrees to mitigate any such impacts.

PG&E - In the interest of queue management, PG&E supports changing the suspension definition for serial projects to be consistent with the cluster process. This is of concern to PG&E, as a large

number of later queued projects could be impacted. This could put PTOs in the difficult position of being asked by stakeholders to self-fund such upgrades, putting ratepayers and our shareholders at risk. PG&E would strongly oppose scenarios where ratepayers and shareholders must bear additional risk. This is of concern to PG&E, as a large number of later queued projects could be impacted. PG&E urges the CAISO to find alternatives that do not impact later queued projects, such as the review of upgrades with large numbers of queued renewable project dependencies as potential policy driven upgrades in the TPP.

CalWEA - CalWEA agrees with the CAISO proposal for dealing with the suspension of serial and clustered projects – allow the suspension but obligate the financing of network upgrades needed by lower-queued projects.

4.7.2 *ISO draft final proposal*

To better understand this issue, the ISO offers the following information in Table 3 using the ISO publically available queue dated June 17, 2013. Table 3 lists several serial projects, the date they entered the queue, the current COD and whether the ISO believes that negotiations are substantially complete – yes or no. If the answer is no, to the extent the project is not withdrawn, the ISO would incorporate in the GIA negotiation that any suspension request cannot impact other queued customers.⁵

Queue Position	Interconnection Request Receive Date	Current On-line Date	Substantially Negotiated N=Change Language
17	3/18/2003	6/11/2010	Y
84	11/22/2005	12/31/2011	Y
92	2/23/2006	7/1/2015	N
94	2/15/2006	12/31/2016	N
97	2/15/2006	12/31/2016	N
138	10/23/2006	3/1/2012	N
153	11/22/2006	12/31/2016	N
219	5/7/2007	6/1/2012	Y
240	7/12/2007	6/30/2014	Y
241	7/12/2007	6/30/2015	Y

⁵ SGIs are not eligible for suspension.

As demonstrated above in Table 3, there are 10 serial large generation projects that have not execute LGIAs and most have been in the queue for over five years. Of these 10 projects, 4 have not been substantially negotiated and the ISO proposes that the suspension section 5.16 of these entities LGIAs would include language whereby any suspension may not impact network upgrades that are common to multiple generating facilities.

With respect to the ISO's straw proposal that suspension extends up to 3 years from when the interconnection request was received, the CPUC is correct, such language would not be meaningful as all of the interconnection request dates are greater than 3 years from today. Thus the ISO withdraws that portion of its proposal.

IEP raises the concern that if this issue impact only a few projects, "IEP would prefer that this issue not be addressed in this forum and rather the ISO work with those two customers, as has no doubt been the case up to this point, to get the projects into contract". The challenge the ISO has is that we have been trying to work with these customers to execute agreements with little success. Additional, absent a tariff change (which requires a stakeholder process to vet the change) the pro forma agreement already approved by FERC does not include this limitation. Thus absent including this change as Topic 12 to the IPE the ISO could not implement it.

The ISO draft final proposal is to modify Appendix V for amendments to the serial LGIA required in the future, and Appendix BB for LGIAs⁶ that have not been substantially negotiated in order to specify that suspension only applies to PTO upgrades that do not impact other projects, and does not provide a day-for-day delay of the project.

⁶ The same text is in the same section in both Appendices.

Appendix A

Proposed Draft Tariff Language – IPE Queue Management Topics

The following is proposed draft tariff language, shown in track change format, to implement the proposed IPE changes for the queue management topics 6 through 12. The tariff modifications cover three areas:

- (1) More flexibility for small generators and cost recovery for modification analysis – Appendix S, T, U, Y, DD and FF
 - (a) Allow small generators to propose project modifications. The ability for small generators to modify their projects was modeled after Appendix U, Section 4.4 for serial projects and Appendix Y, Section 6.9.2 for cluster projects. However, language similar to Appendix U, Sections 4.4.1, 4.4.2 and 4.4.5 is not included because all of the obligations in such sections have already past.
 - (b) Allow for Participating TO and ISO to recover costs for project modification analysis. A \$10,000 deposit will be required and the Interconnection Customer will be charge actual costs. The Interconnection Customer may elect to use existing funds, if available, or provide a new deposit.
 - (c) Clarify that interconnection customers inform the ISO in writing of any proposed modifications from the information in the project’s interconnection request subject to ISO approval.
 - (d) Add a length of time in queue for serial small generators.
- (2) Contract negotiation issues – Appendix U, Y and DD
 - (a) Amend trigger for tendering and negotiating the GIA to the interconnection customers results meeting.
 - (b) Delete reference to CAISO from the requirement to tender the agreement.
 - (c) Delete reference to PTO from requirement to provide final GIA for execution and amend the ISO’s timeline to complete such activity to ten business days from fifteen business days.
 - (d) Revise change in ISO operational control section to conform with the PTO tendering the GIA. However no change is made to Appendix U because the section doesn’t exist.
- (3) Suspension – Appendix V and BB
 - (a) Provide that a serial project cannot suspend network upgrades that impact another queued customer.

Modification Changes

Appendix S, Section 1.3.4 should be deleted in its entirety and replaced with the following proposed new sections:

1.3.4 Modifications

The Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The Interconnection Customer shall retain its Queue Position if the modifications are determined not to be Material Modifications pursuant to SGIP Section 1.3.4.1. Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the applicable Participating TO(s), the CAISO, and Interconnection Customer, such acceptance not to be unreasonably withheld.

1.3.4.1 Prior to making any modification, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification, in which case costs for both the Participating TO and CAISO shall be borne by the party making the request under Section 1.3.4, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under SGIP Section 1.3.4 or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

1.3.4.2 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Alternatively, the Interconnection Customer may elect to use existing study funds to the extent that the CAISO is still holding at least \$10,000 in study funds that have not already been encumbered. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance when invoiced. The CAISO shall coordinate the modification request results with the Participating TO(s).

Proposed new paragraph added at the end of Appendix S, Section 1.3.3 as follows:

The expected In-Service Date of the new Small Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates that engineering, permitting and construction of the new Small Generating Facility or increase in capacity of the existing Generating Facility will take longer. The In-Service Date may exceed the date the Interconnection Request is received by the CAISO by a period up to ten years, or longer where the Interconnection Customer, the applicable Participating TO and the CAISO agree, such agreement not to be unreasonably withheld.

Proposed amendment to article 3.4.5 of Appendix T:

3.4.5 Modification of the Small Generating Facility

Prior to making any modification to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether any such proposed modification is a Material Modification and receive written authorization from the Participating TO and the CAISO before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the CAISO-Controlled Grid or the Participating TO's electric system. Such authorization shall not be unreasonably withheld. The CAISO may engage the services of the applicable Participating TO in the CAISO's conducting any such modification assessment, in which case costs for both the Participating TO and CAISO shall be borne by the party making the request under Section 1.3.4 of Appendix S, and such costs shall be included in any CAISO invoice for modification assessment activities. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Proposed changes to Appendix U:

4.4.3 Prior to making any modification other than those specifically permitted by LGIP Sections 4.4.1, 4.4.2, and 4.4.5, the Interconnection Customer ~~may~~must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modifications ~~prior to making them~~ and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification, in which case costs for both the Participating TO and CAISO shall be borne by the party making the request under Section 5.1, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except those deemed acceptable under LGIP Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Propose a new section 4.4.6 to Appendix U:

4.4.6 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Alternatively, the Interconnection Customer may elect to use existing study funds to the extent that the CAISO is still holding at least \$10,000 in study funds that have not already been encumbered. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance when invoiced. The CAISO shall coordinate the modification request results with the Participating TO(s).

Proposed amendment to Section 5.2 of Appendix U, Section 5.2:**5.2 Change In CAISO Operational Control**

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to applicable Participating TO which has ownership of the Point of Interconnection any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net deposit amount and the costs that the successor Participating TO incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable Participating TO which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the ~~CAISO~~ Participating TO has tendered a draft LGIA to the Interconnection Customer but the Interconnection Customer has neither executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable Participating TO which has the ownership of the Point of Interconnection.

Proposed amendment to third paragraph of Section 6.9.2.2 of Appendix Y:

For any modification other than these, the Interconnection Customer ~~may~~ **must** first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification, in which case costs for both the Participating TO and CAISO shall be borne by the party making the request under Section 6.9.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this GIP Section 6.9.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Propose a new section 6.9.2.3 to Appendix Y:

6.9.2.3 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Alternatively, the Interconnection Customer may elect to use existing study funds to the extent that the CAISO is still holding at least \$10,000 in study funds that have not already been encumbered. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance when invoiced. The CAISO shall coordinate the modification request results with the Participating TO(s).

Proposed amendment to Section 6.7.2.2 of Appendix DD:

For any modification other than these, the Interconnection Customer ~~may~~ **must** first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform

the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification, in which case costs for both the Participating TO and CAISO shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Proposed new section 6.7.2.3 to Appendix DD:

6.7.2.3 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Alternatively, the Interconnection Customer may elect to use existing study funds to the extent that the CAISO is still holding at least \$10,000 in study funds that have not already been encumbered. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance when invoiced. The CAISO shall coordinate the modification request results with the Participating TO(s).

Proposed Appendix FF, GIDAP SGIA:

3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the CAISO Controlled Grid or the Participating TO's electric system. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may engage the services of the applicable Participating TO to assess the modification, in which case such costs shall be borne by the party making the request under Section 6.7.2 of Appendix DD, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the GIDAP SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Contract Negotiation Changes

Proposed amendment to Section 11 of Appendix U:

11.1 Tender

11.1.1 Within thirty (30) calendar days after the ~~Interconnection Customer has its Results Meeting to discuss the CAISO receives the Interconnection Customer's written comments, or notification of no comments, to the draft~~ Interconnection Facilities Study report, the applicable Participating TO(s) ~~and the CAISO~~ shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC approved standard form LGIA set forth in CAISO Tariff Appendix V. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

11.2 Negotiation

Notwithstanding LGIP Section 11.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the LGIA at any time after the Interconnection Customer executes the Interconnection Facilities Study Agreement. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) calendar days after tender of the final Interconnection Facilities Study report. If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to LGIP Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to LGIP Section 13.5. If the Interconnection Customer requests termination of the negotiations, but within ninety (90) calendar days after issuance of the final Interconnection Facilities Study report fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to LGIP Section 13.5 within ninety (90) calendar days after issuance of the final Interconnection Facilities Study report, it shall be deemed to have withdrawn its Interconnection Request. The ~~applicable Participating TO(s) and~~ CAISO shall provide to the Interconnection Customer a final LGIA within ~~ten (10) fifteen (15)~~ Business Days after the completion of the negotiation process and receipt of all requested information.

Proposed amendment to Section 11 of Appendix Y:

11.1 Tender

11.1.1 Within thirty (30) Calendar Days after the ~~Interconnection Customer has its Results Meeting to discuss the CAISO receives the Interconnection Customer's written comments, or notification of no comments, to CAISO~~ ~~provides~~ the final Phase II Interconnection Study report, or the Facilities Study report (or System Impact Study report if the Facilities Study is waived), to the Interconnection Customer, the applicable Participating TO(s) ~~and the CAISO~~ shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of the FERC-approved form of GIA set forth in CAISO Tariff Appendix T or Appendix CC, as applicable. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

11.2 Negotiation

Notwithstanding GIP Section 11.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report, or the Facilities Study report (or System Impact Study report if the Facilities

Study is waived). If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to GIP Section 11.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 13.5. If the Interconnection Customer requests termination of the negotiations, but, within one hundred twenty (120) calendar days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 13.5 within one hundred twenty (120) calendar days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The ~~applicable Participating TO(s) and~~ CAISO shall provide to the Interconnection Customer a final LGIA within ~~ten (10) fifteen (15)~~ Business Days after the completion of the negotiation process ~~and receipt of all requested information.~~

Proposed amendment to Section 13.7 of Appendix Y:

13.7 Change In CAISO Operational Control

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the ~~CAISO Participating TO~~ has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has neither executed the GIA nor requested the filing of an unexecuted GIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

Proposed amendment to Section 13 of Appendix DD:

13.1 Tender

13.1.1 Within thirty (30) Calendar Days after the ~~Interconnection Customer has its Results Meeting to discuss~~ CAISO ~~provides~~ the final Phase II Interconnection Study report, or the Facilities Study report (or System Impact Study report if the Facilities Study is waived) to the Interconnection Customer, the applicable Participating TO(s) ~~and the CAISO~~ shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of the FERC-approved form of GIA set forth in CAISO Tariff Appendix T or Appendix CC, as applicable. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

13.2 Negotiation

Notwithstanding Section 13.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report, or the Facilities Study report (or System Impact Study report if the Facilities Study is waived). If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to Section 13.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5. If the Interconnection Customer requests termination of the negotiations, but, within one

hundred twenty (120) calendar days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 within one hundred twenty (120) calendar days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The ~~applicable Participating TO(s)~~ and CAISO shall provide to the Interconnection Customer a final LGIA within ten (10) fifteen (15) Business Days after the completion of the negotiation process and receipt of all requested information.

Proposed amendment to Section 15.7 of Appendix DD:

15.7 Change In CAISO Operational Control

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the ~~CAISO~~Participating TO has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has neither executed the GIA nor requested the filing of an unexecuted GIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

Suspension

Proposed modification to Appendix V for amendments to the serial LGIA required in the future, and Appendix BB for LGIAs⁷ that have not been substantially negotiated:

- 5.16 Suspension. The Interconnection Customer reserves the right, upon written notice to the Participating TO and the CAISO, to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple Generating Facilities, with the condition that the Participating TO's electrical system and the CAISO Controlled Grid shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Participating TO's safety and reliability criteria and the CAISO's Applicable Reliability Standards. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so. The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the CAISO, if no effective date is specified.

⁷ The same text is in the same section in both Appendices.