

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the 2018 IPE stakeholder initiative Draft Final Proposal paper posted on September 4, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due September 24, 2018 by 5:00pm

The Draft Final Proposal posted on September 4, 2018 and the presentation to be discussed during the September 17, 2018 stakeholder meeting can be found on the CAISO webpage at the following link:

<http://www.aiso.com/informed/Pages/StakeholderProcesses/InterconnectionProcessEnhancements.aspx>

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

6. Generator Interconnection Agreements

6.2 Affected Participating Transmission Owner

First Solar believes that taking this issue up in the next cycle of interconnection process enhancements makes sense in light of the CAISO's intent to further test a framework for best managing the multi-party relationships involving affected PTOs.

6.4 Ride-through Requirements for Inverter based Generation

The engagement at the stakeholder meeting and workshop was very helpful, and First Solar appreciates the dialogue and commitment to make certain changes around recording of PMU data, including specifying a range both pre-fault and post-fault for the recording and defining what is meant by an "event" for purposes of Appendix H. The CAISO has also agreed to make other clarifying changes to the redlined version of Appendix H posted on September 4. From what we understand of the direction the CAISO is headed with the changes, we believe that CAISO has addressed all of our comments and concerns. Because a number of changes were discussed, we request an opportunity to review a final version of the changes to Appendix H before it is submitted to the Board for approval.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs Th

CAISO's new definitions are very helpful to clarifying the process and First Solar believes that overall the revised proposal is an improved structure for deriving the maximum cost responsibility from that proposed in the revised straw proposal on July 10. However, there are two issues which we believe need further modification.

One, when including potential network upgrades in a project's maximum cost responsibility, the costs driving the maximum cost responsibility should only be included as long as they remain potential network upgrades for that customer. Once an earlier-queued project executes a GIA, which is the condition upon which the potential network upgrade is removed from the later-queued project's potential cost responsibility, the maximum cost responsibility should be reduced to reflect removal of potential network upgrades, rather than creating headroom for added allocation of other directly assigned network upgrade costs. This balances the need to ensure that the later queued project is poised to take on the cost responsibility if earlier-

queued projects withdraw against the burden to the later-queued customer of having to manage a higher maximum cost responsibility as it negotiates its financing and offtake agreements.

Our second comment relates to the allocation of interconnection service upgrade costs. Again, while including these costs at the 100% cost responsibility is burdensome for the interconnection customer, if the cost responsibility is earmarked for these upgrade costs and removed once an earlier-queued customer signs a generator interconnection agreement, we believe it strikes the right balance between protection for ratepayers and burden on the interconnection customer for facing higher maximum cost responsibility.

7.7 Reliability Network Upgrade Reimbursement Cap

First Solar supports the CAISO's response to stakeholder feedback related to establishing a methodology for escalating the reimbursement amount allowed for RNUs. The process proposed by the CAISO for determining the rate via the annual per-unit cost update process with the PTOs seems reasonable.

Frist Solar had previously suggested that the CAISO add an option to allow an interconnection customer that has funded a significant upgrade, such as paying for a new switchyard, to obtain cost recovery when later queued projects benefit from the upgrade. We suggest that the CAISO allow interconnection customers who fund upgrades that provide room for additional deliverability for other projects to get cost recovery for those upgrades.

Where a later-queued project benefits and the cost would have been reimbursable to that project, it is reasonable to allow the earlier-queued project to recover above the cap for those benefits to the later-queued project. Since the later projects benefit from the "overbuilt" upgrade, it aligns with the principles behind the reimbursement for these upgrades to allow these costs to be recovered above the cap for the project responsible for funding an upgrade that can accommodate more capacity than that used by the funder. This could most efficiently be accomplished by calculating the value to later queued projects and allowing the earlier queued project to receive reimbursement above the cap to the extent of that value associated with upgrades that provide interconnection benefits to later projects.

10. Additional Comments

These issues around calculation of the maximum cost responsibility are important ones for developers and we would appreciate the chance to review the CAISO's final draft that responds to these suggested modifications in advance of these policy changes being submitted to the Board for approval.