

**Comments of the
Imperial Valley Renewable Generation Coalition (IVRGC)**

*California Independent System Operator Corporation (ISO)
Straw Proposal (April 6, 2011)
Delivery of Resource Adequacy Capacity on Interties*

The IVRGC appreciates the opportunity to comment on the ISO's Straw Proposal, dated April 6, 2011, Deliverability of Resource Adequacy Capacity on Interties. IVRGC is a coalition of renewable generators with existing or planned renewable generation in the Imperial Valley. IVRGC members include:

It is well recognized that Imperial Valley Renewable Energy Zones scored very high in the studies performed by Renewable Energy Transmission Initiative. Imperial Valley resources are high quality, cost effective in-state renewable resources that can be accessed through relatively low cost upgrades to the existing transmission grid. It is imperative that any artificial impediments that thwart access to Imperial Valley resources be removed in order for California to meet its renewable energy and greenhouse gas goals in a cost-effective manner.

IVRGC strongly supports the ISO's efforts in this important initiative to resolve issues surrounding accurate accounting of import capacity for Resource Adequacy (RA) purposes. IVRGC urges the ISO to proceed expeditiously to complete this process, which is essential for IVRGC members to move forward with project financing and construction. The Imperial Irrigation District has approximately 43 projects comprising nearly 3093 MW of these renewable resources in its interconnection queue seeking to deliver to the ISO BAA. Time is of the essence, and IVRGC support efforts to resolve this issue in the near term, with non-Tariff based changes. Any consideration of broader and more comprehensive changes to the RA rules in the ISO Tariff should not delay resolution of this known and more limited problem.

By way of example, under the existing ISO Maximum Import Capability (MIC) methodology, which looks at what was historically imported during peak system conditions, one of the critical interties between the IID and ISO BAAs shows zero (0) import capability (i.e., IID-SDG&E_BG) for RA counting purposes. Given that the physical capabilities at IID-SDG&E_BG is clearly greater than zero, the current MIC methodology creates an artificial impediment to IVRGC members receiving RA credit within the ISO BAA. IVRGC members may thus be at a competitive disadvantage in load-serving entities (LSEs) procurement processes due to this methodological problem.

IVRGC is examining the Straw Proposal and will continue to participate in ISO stakeholder process. IVRGC urges the ISO to adopt an approach that: (1) calculates MIC at the interties using a prospective approach based upon a reasonable expectation of the amount of resources that can be delivered to the ISO BAA at an intertie; and (2)

puts a new methodology in effect before the 2013 RA compliance year. IVRGC members have several projects in its interconnection queue scheduled to go on-line in the third and fourth quarter of 2012. Thus, it may be necessary to accommodate any projects that might be deliverable before 2013.

The IVRGC appreciates the ISO's attention to this important and necessary change to the RA MIC methodology for the interties and looks forward to working with the ISO and stakeholders to quickly implement a solution.

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