



October 22, 2014

Submitted by email from Rachel Gold and Susan Schneider to the CAISO at SHatalog@caiso.com

RE: Comments of the Large-scale Solar Association on revised draft 2015 Stakeholder Initiatives Catalog

The Large-scale Solar Association (LSA) hereby submits these comments on the Draft 2015 Stakeholder Initiatives Catalog (Catalog). The Catalog lists and describes ongoing and potential CAISO market design and infrastructure/planning enhancements.

LSA's comments focus on two issues:

- **Affected Systems (12.7):** The CAISO retain this as a separate item, even if it is included in the upcoming Interconnection Process Enhancements (IPE) effort.
- **Interconnection-related items – Consideration of Active Power Control Interconnection Requirements (10.2) and Reactive Power Requirements (10.3):** The CAISO should not limit consideration of these requirements to asynchronous generation only. In addition, the scope of Item 10.2 should include:
 - Additional showing of need for such mandatory rules, as required by FERC;
 - Conditions under which the Active Power Controls would be operated, and in what manner;
 - Compensation for any ramp-rate limits imposed using active power controls; and
 - Exemptions or transitional elements for projects that are operating or far along in the interconnection process, consistent with the CAISO's last proposals in this area.

These comments are explained further below.

Affected Systems

The Catalog proposes to delete this as a separate item. LSA does not agree and is concerned about the characterization of future action in this area.

As the CAISO well knows, this has been an area of much contention, including LSA's submission of the first (and only) appeal through the BPM Change Management Process (CMP). While the last set of CAISO provisions proposed and implemented through the BPM CMP were an improvement over earlier proposals, they fell short of the coordinated (and, preferably, integrated) CAISO-Affected Systems process sought by generation developers.

In deciding not to contest the most recent CAISO provisions for Affected Systems, LSA relied on the CAISO's commitment to hold a full follow-up stakeholder process on these matters, as part of the next Interconnection Process Enhancements (IPE) initiative. The 2013 Stakeholder Initiatives Catalog scheduled the gathering of topics for 2015 action for the third quarter of this year (i.e., July-September period).

LSA is now concerned about the proposed course of action for further Affected Systems work, due to the CAISO's statements that:

- **It is “offering to hold another IPE initiative in 2015 to consider further improvements”** (Catalog Item 10.1) This is not exactly a strong commitment, and LSA requests that the CAISO definitively state that it will proceed with that effort.
- **It “will begin by gathering potential topics for consideration in late 2014.”** The CAISO is already behind the planned schedule. Moreover, “potential further changes to the affected system provisions will be **considered** during the scoping of topics for the next Interconnection Process Enhancements stakeholder initiative” (emphasis added).

If (as the CAISO stated in the 2013 Catalog) an expanded Affected Systems initiative “would require significant resources and a lengthy stakeholder process to address,” then it is imperative that this initiative begin soon. Generators in the queue are moving rapidly toward construction and operation, and if the CAISO does not begin this effort until sometime in 2015, the conclusion will come too late to help many generators now in the queue.

Therefore, the LSA recommends that the CAISO: (1) keep Affected Systems in the Catalog, in general and as a separate issue; and (2) accelerate it ahead of what appears to be a delayed start to the next IPE initiative. The CAISO can still include this item in IPE, and should initiate work on this topic as soon as possible.

Interconnection-related items – Consideration of Active Power Control Interconnection Requirements and Reactive Power Requirements

As noted in the Catalog, these requirements were previously rejected by FERC because the CAISO did not adequately demonstrate the need for them. In order to justify mandatory requirements, the CAISO will have to show the need for these requirements, even after the outcomes for:

- **Frequency Response Requirements (Catalog item 5.4)** – this FERC-mandated initiative would implement new frequency response standards. In the description of this item, “the ISO may also potentially consider additional products or services necessary to maintain system inertia within this initiative.”
- **Other CAISO initiatives to obtain the same kinds of services** as its earlier proposals, using market-based approaches. Specifically, Flexible Resource Adequacy Capacity/Must-Offer Obligation (FRAC/MOO) requirements and the proposed new Flexible Ramping Product (FRP) should help meet the CAISO's needs for flexibility and ramping.

In addition, any new generator-interconnection requirements should to all resource types, not just asynchronous resources. As LSA pointed out in its response to the CAISO's earlier proposals: (1) the resulting capability would support general system needs (e.g., CAISO VAR support needs at any given time or location might not relate at all to VERs, and VARs provided by any generator could help meet those needs); and (2) the required capability would benefit the system regardless of the technology of the generator providing it.

Finally, aside from justifying the need for the respective requirements, the scope of these items should include two key elements:

First, the proposal for Item 10.2 would be incomplete without defining the conditions under which the CAISO would require use of Active Power Control and any appropriate generator compensation.

Second, both items require consideration of grandfathering and/or transitional provisions for generators that are already operating or in advanced stages of the interconnection process. Some changes might be inexpensive and easy to implement for such generators, while others could be expensive and/or difficult; these differences should be incorporated in a grandfathering/transitional framework.