

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Transmission Project Corp.)))	Docket No. ER19-1695-000
--	-------------	---------------------------------

**MOTION TO INTERVENE AND COMMENTS OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) respectfully moves to intervene and comments in response to the April 29, 2019 petition by California Transmission Project Corp. (“CTP”) requesting that the Commission grant a one-time waiver of the CAISO’s tariff requirements to post interconnection financial security by the established deadline.¹

I. Comments

Although the CAISO understands that the request for waiver is limited in scope, the CAISO is wary of any precedent that grants tariff waivers premised on the Pacific Gas and Electric Company (“PG&E”) pending bankruptcy. In determining whether to grant a request for waiver, the Commission considers whether the waiver addresses a concrete problem. CTP has failed to offer any evidentiary support to establish a nexus between its financing and the PG&E bankruptcy. Generation developers’ financing can fall through for many reasons independent of the interconnecting transmission owner. A waiver based on the PG&E bankruptcy obviously could lead to similar petitions and impair the CAISO’s ability to enforce its tariff for years. The CAISO’s most recent

¹ The CAISO makes this filing pursuant to Rules 212 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.214.

interconnection cluster, having just closed on April 15, included 141 interconnection requests, 75 of which propose to interconnect to PG&E. Although the PG&E bankruptcy proceedings are “beyond CTP’s control,”² acquiring financing to post interconnection financial security is not.

The CAISO also questions CTP’s claim that its waiver would not harm other parties.³ On March 14, 2019, the CAISO sent 34 interconnection customers in the PG&E territory (including CTP) notices to post their initial financial security. Of these 34, 22 posted financial security, six submitted notices of withdrawal, and four were withdrawn by the CAISO for failure to post.⁴ Granting CTP’s waiver unavoidably prejudices these interconnection customers, which faced the exact same circumstances as CTP. Perhaps more problematically, to avoid restudies the CAISO and PG&E must delay all interconnection studies in the area until this issue is resolved. Because more interconnection customers withdraw at this point in the interconnection process than any other point,⁵ the CAISO and its transmission owners do not begin the next phase of interconnection studies until all projects have either posted their interconnection financial security or withdrawn. Gemini Wind North is a 2,000+ MW offshore wind generator that significantly affects grid topology for its queue cluster and the next cluster to be studied this Spring.

If the Commission grants CTP’s request for waiver, the CAISO requests that the waiver be for a defined temporary period, and limited. CTP argues that its waiver would

² CTP Petition at 4.

³ *Id.*

⁴ The other two are Gemini Wind North and one project whose posting deadline is May 6.

⁵ Namely, between receiving Phase I Study results and the first Interconnection Financial Security posting.

not have undesirable consequences, but posting initial interconnection financial security requirement is a key milestone in the CAISO's interconnection process. More interconnection customers withdraw at this point in the interconnection process than any other point, specifically because of the initial financial security requirement. Without this requirement interconnection customers could linger in queue without risk, and transmission owners would be exposed to covering any shortfall in network upgrade financing. Interconnection financial security is designed to demonstrate that the interconnection customer is financially able and committed to developing its project. CTP's Gemini Wind North project is for over 2,000 MW of offshore wind generation.⁶ If CTP cannot procure a letter of credit for 15 percent of its network upgrade costs by the deadline all interconnection customers must meet, it calls into question whether CTP can develop its project under the same requirements as all other interconnection customers.⁷

II. MOTION TO INTERVENE

CTP has requested waiver of CAISO tariff provisions regarding its request to interconnect to the CAISO controlled grid under CAISO interconnection study procedures. The CAISO has a substantial and direct interest. Because no other party can adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest and should be granted.

III. COMMUNICATIONS

In accordance with Rule 203(b) of the Commission's Rules of Practice and

⁶ The CAISO's generator interconnection queue is available at <https://rimspub.caiso.com/rims5/logon.do#>.

⁷ See Section 11.2.3.2 of Appendix DD to the CAISO tariff.

Procedures,⁸ the CAISO respectfully requests that the service of all pleadings, documents, and all communications regarding this proceeding be addressed to the following individuals:

Roger E. Collanton
General Counsel
Sidney L. Mannheim
Assistant General Counsel
William H. Weaver
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-1225
Fax: (916) 608-7222
Email: bweaver@caiso.com

IV. CONCLUSION

The CAISO respectfully requests that the Commission grant the CAISO's motion to intervene and consider its comments.

Respectfully submitted,

By: /s/ William H. Weaver

Roger E. Collanton
General Counsel
Sidney L. Mannheim
Assistant General Counsel
William H. Weaver
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7222
bweaver@caiso.com

Counsel for the California Independent
System Operator Corporation

Dated: May 3, 2019

⁸ 18 C.F.R. § 385.203(b)(3).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each party listed on the official service list for this proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010 (2014)).

Dated at Folsom, California on this 3rd day of May, 2019.

/s/ Grace Clark
Grace Clark