

## Stakeholder Comments Template

### Subject: Generation Interconnection Procedures Phase 2 (“GIP 2”)

Submitted by	Company	Date Submitted
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This template was created to help stakeholders structure their written comments on topics detailed in the May 27, 2011 *Draft Final Proposal for Generation Interconnection Procedures 2 (GIP 2) Proposal* (at <http://www.caiso.com/2b21/2b21a4fe115e0.html>). We ask that you please submit your comments in MS Word to [GIP2@caiso.com](mailto:GIP2@caiso.com) no later than the close of business on June 10, 2011.

Your comments on any these issues are welcome and will assist the ISO in the development of the revised draft final proposal. Your comments will be most useful if you provide the reasons and the business case for your preferred approaches to these topics.

Your input will be particularly valuable to the extent you can provide comments that address any concerns you foresee implementing these proposals.

Please note there are new topics in this comments template that have been introduced for the first time in the draft final proposal - Item # 18, 19, 20, 25, 26 & 27

**Comments on topics listed in GIP 2 Draft Final Proposal:****Work Group 1**

Based on the last round of work group meetings and our review of stakeholder comments, the ISO has determined that WG 1 topics should be taken out of GIP 2 scope and addressed in a separate initiative with its own timeline

[Ormat supports this change and encourages the ISO to prioritize this initiative.](#)

**Work Group 2**

1. Participating Transmission Owner (PTO) transmission cost estimation procedures and per-unit upgrade cost estimates;

Comments:

[Ormat supports the ISO's proposal and in particular supports development of a comprehensive GIP BPM.](#)

2. Generators interconnecting to non-PTO facilities that reside inside the ISO Balancing Area Authority (BAA);

Comments:

[The ISO's proposal appears to be a reasonable way to resolve this issue.](#)

3. Triggers that establish the deadlines for IC financial security postings.

Comments:

[No comment](#)

4. Clarify definitions of start of construction and other transmission construction phases, and specify posting requirements at each milestone.

Comments:

[No comment](#)

5. Improve process for interconnection customers to be notified of their required amounts for IFS posting

Comments:

[Here again, the GIP BPM should provide valuable guidance.](#)

6. Information provided by the ISO (Internet Postings)

Comments:

[Ormat supports increased transparency.](#)

**Work Group 3**

7. Develop pro forma partial termination provisions to allow an IC to structure its generation project in a sequence of phases.

Comments:

No comment

8. Reduction in project size for permitting or other extenuating circumstances

Comments:

No comment

9. Repayment of IC funding of network upgrades associated with a phased generation facility.

Comments:

No comment

10. Clarify site exclusivity requirements for projects located on federal lands.

Comments:

No comment

11. CPUC Renewable Auction Mechanism

Comments:

No comment

12. Interconnection Refinements to Accommodate QF conversions, Repowering, Behind the meter expansion, Deliverability at the Distribution Level and Fast Track and ISP improvements

- a. Application of Path 1-5 processes

Comments:

1. Under Path 1 the ISO proposes to delete tariff Section 25.1.2, which establishes the affidavit requirement, and then references the affidavit requirement as the appropriate mechanism for Path 2. This appears to be inconsistent.

2. Ormat is pleased to see the proposal to allow use of Fast Track for capacity increases of up to 5 MW. We encourage the ISO to clearly differentiate between the “flow-based prong” of the ISP test and the “violation of Applicable Reliability Criteria” test to clarify that re-powering that does not increase the existing resource’s Pmax does not – by definition – impact potential deliverability of other potential interconnections and thus does not require a deliverability power flow analysis.
  3. Path 5 should clearly state that even if queue cluster participation is warranted, existing deliverability status would be retained. If, for example, re-powering were to include a locational change, the ISO should clarify that the deliverability of the plant being replaced could be transferred to the replacement facility to the extent it does not impact deliverability of other applicants in prior queues. This could be done by determining in power flow studies how much capacity in the new location could be supported after the shutdown of the old facility without impacting other projects’ deliverability. Thus the “grid impact” of the existing project could be transferred to its replacement.
- b. Maintaining Deliverability upon QF Conversion

Comments:

Ormat supports maintenance of deliverability

- c. Distribution Level Deliverability

Comments:

Given the assumption that the requirement for a deliverability assessment applies only to new distribution-connected resources, and that deliverability of existing distribution-connected resources is resolved in accordance with a and b above, Ormat has no further comments on this topic and supports the inclusion of WDAT projects in the ISO’s deliverability assessment.

#### **Work Group 4**

13. Financial security posting requirements where the PTO elects to upfront fund network upgrades.

Comments:

No Comment

14. Revise ISO insurance requirements (downward) in the pro forma Large Generation Interconnection Agreement (LGIA) to better reflect ISO’s role in and potential impacts on the three-party LGIA.

Comments:

No Comment

15. Standardize the use of adjusted versus non-adjusted dollar amounts in LGIAs.

Comments:

Support

16. Clarify the Interconnection Customers financial responsibility cap and maximum cost responsibility

Comments:

17. Consider adding a "posting cap" to the PTO's Interconnection Facilities

Comments:

Support

18. Consider using generating project viability assessment in lieu of financial security postings

Comments:

Ormat supports the ISO's position. Using a hypothetical viability calculator as an alternative to having financial skin in the game can only increase the number of under-capitalized and questionable projects in the queue. The magnitude of Queue Cluster 4 suggests that making the process easier and less costly for potential applicants is neither necessary nor desirable.

19. Consider limiting interconnection agreement suspension rights

Comments:

20. Consider incorporating PTO abandoned plant recovery into GIP

Comments:

The ISO should focus on the Work Group 1 issue and move the issue of PTO funding of transmission upgrades and abandoned plant recovery to that stakeholder process.

## Work Group 5

21. Partial deliverability as an interconnection deliverability status option.

Comments:

Ormat supports options for partial deliverability. It provides more flexibility and increases the ability to make economic decisions regarding the need for network deliverability upgrades.

22. Conform technical requirements for small and large generators to a single standard

Comments:

No Comment

23. Revisit tariff requirement for off-peak deliverability assessment.

Comments:

No Comment

24. Operational partial and interim deliverability assessment

Comments:

Because of the speculative nature of some delayed projects, an ability to get interim deliverability designation makes sense. This would be perhaps the only time when a project designated as deliverable could lose its status (once the delayed project becomes operational).

25. Post Phase II re-evaluation of the plan of service

Comments:

Based on the results of prior queue cluster assessments, the likelihood of significant numbers of interconnection request projects failing after the Phase 2 study is complete appears to be fairly high. Some mechanism for reevaluating identified network upgrades is needed to avoid overbuilding.

**New Topics since straw proposal**

26. Comments on the LS Power issue raised in their comments submitted May 9, 2011 – Re. Conforming ISO tariff language to the FERC 2003-C LGIA on the treatment of transmission credits in Section 11.4 of Appendix Z.

Comments:

No Comment

27. Correcting a broken link in the tariff regarding the disposition of forfeited funds.

Comments:

**Other Comments:**

1. If you have other comments, please provide them here.