

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Interconnection Process Enhancements Straw Proposal posted on July 18 and as supplemented by the presentation and discussion during the August 8 stakeholder meeting.

Submit comments to GIP@caiso.com

[Comments are due August 22, 2013 by 5:00pm](#)

The Straw Proposal posted on July 18 may be found at:

http://www.caiso.com/Documents/StrawProposal-Topics1-5_13-15_InterconnectionProcessEnhancements.pdf

The presentation discussed during the August 8 stakeholder meeting may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancements080813.pdf

Please provide your comments following each of the topics listed below.

Topic 1 – Future downsizing policy

Comments:

SDG&E generally supports the proposal described in the CAISO's July 18, 2013 "Interconnection Process Enhancements, Straw Proposal," and agrees with the idea of combining the current reassessment and downsizing studies into a single study. Note that SDG&E believes downsizing opportunities are likely to be valuable for ICs in Clusters 5 and later because the

correspondence between (i) the resource portfolios assumed for the GIDAP, and (ii) the actual generator interconnection requests received, is likely to be spotty.

SDG&E recommends that an IC's eligibility to submit a downsizing request be limited by the IC's specified COD. Specifically, a downsizing request would be accepted only if the IC's specified COD is at least 12 months after the close of the downsizing request window in which the IC's downsizing request is submitted.

Additionally, SDG&E recommends that the cumulative amount of downsizing that an IC can request through all downsizing windows over time, is 75% of the original project size.

Topic 2 – Disconnection of first phase of project for failure to build later phase

Comments:

SDG&E agrees with the CAISO's Straw proposal as specified in subsections 1 – 3. If an IC did not choose to participate in a downsizing study and was not able to construct a phase of its project, then "the pro rata portion of such [security] postings and costs associated with the cancelled portion or phase(s) of the project will not be eligible for reimbursement." However, SDG&E believes an IC should be able to substitute a later project phase for an earlier project phase provided the two phases have essentially the same electrical characteristics including installed capacity and technology.

Topic 3 – Clarify tariff and GIA provisions related to dividing up GIAs into multiple phases or generating projects

Comments:

SDG&E does not object to dividing a project into multiple phases. However, SDG&E recommends that there be a minimum MW size for two or more phases, e.g., 5 MW. SDG&E believes that there should be only one interconnection agreement for each interconnection request. The IC should be free to involve multiple entities in the project through whatever commercial arrangements it chooses (such as selling different phases of a project to different entities) provided all project participants agree to be bound by the provisions of the single interconnection agreement between the IC, the CAISO and the PTO.

Topic 4 – Improve Independent Study Process

Comments:

SDG&E supports modifying the Independent Study Process in ways which increase the speed and likelihood of interconnecting new generation on an Energy Only basis. Once a generator is connected to the grid, it may receive Resource Adequacy (RA) deliverability in the CAISO's annual deliverability study for the upcoming RA compliance year. Obtaining Full Capacity Deliverability Status (FCDS) designation will be subject to deliverability studies conducted in connection with subsequent CAISO cluster study analysis.

Topic 5 – Improve Fast Track

Comments:

SDG&E will participate in the working group that is now working to review this topic.

SDG&E suggests that the CAISO consider merging the Independent Study Process and the Fast Track Process.

Topic 13 – Clarify timing of transmission cost reimbursement

Comments:

SDG&E's policy is to reimburse advanced construction funds cost in one lump sum upon COD of the IC. FERC's rationale for requiring ICs to advance construction funds is that it provides the IC with incentives to (i) site generation projects at locations that tend to minimize the amount of construction funds that must be advanced -- i.e., where there is adequate existing or planned transfer capability, and (ii) bring the generation projects on-line – since a COD for the generation project must be determined before the advanced construction funds are reimbursed.

While a determined COD for the generation project is required for reimbursement, SDG&E does not believe it is also necessary for all of the network upgrades to be in place before the advanced construction funds are reimbursed. This is because upon obtaining a COD for the generation project, both of the incentives mentioned above have been taken into account. SDG&E believes utilities have ample financial capacity to fund the construction of network upgrades for which the advanced construction funds were reimbursed to the IC prior to completion of the network upgrades identified in the Interconnection Agreement.

Topic 14 – Distribution of forfeited funds

Comments:

The cost of constructing high voltage network upgrades are socialized across all CAISO consumers via the CAISO's Transmission Access Charge (TAC). FERC approved this cost allocation mechanism because of the difficulty of determining which consumers benefit from which high voltage facilities and by how much. FERC concluded that all consumers within the CAISO Balancing Authority benefit, to some degree, from all high voltage facilities since the entire system is operated as an integrated whole. For the same reason, SDG&E believes forfeited funds should be used to reduce the CAISO's TAC which has the effect of socializing the benefit of the forfeited funds across all CAISO consumers. Further, reducing the CAISO TAC is a relatively simple way of distributing forfeited funds.

Topic 15 – Inverter/transformer changes (material modification process)

Comments:

SDG&E likes the CalWEA proposal wherein technology changes would be permitted without a formal material modification review provided the technology change leads to "similar or superior performance as the original equipment." The IC would have the burden of providing to the CAISO and relevant PTO, evidence of "similar or superior" performance. If the CAISO or PTO are in doubt as to preferred evidence, it could initiate a formal material modification review (which, in SDG&E's experience, is usually quick).