

**SDG&E's Comments
on the CAISO's Proposed Tariff Amendment
Concerning Location Constrained Resource Interconnection**

SDG&E questions whether the requirements set forth in section 24.1.3.2 (a) can be made to work as a practical matter. This requirement seems to contemplate that in order for construction of the trunk line to proceed, the proponent of the trunk line would need to demonstrate that qualifying remote generators have signed generator interconnection agreements totaling 25% of the rating of the proposed trunk line. These agreements would need to specify that the point of interconnection is to the proposed trunk line; this latter requirement would appear to rule out the ability to count existing interconnection agreements with qualifying remote generators and interconnection studies currently in progress would similarly appear to be uncountable.

In order to develop eligible agreements, it would be necessary to perform interconnection studies under the provisions of the large and small generator interconnection procedures (LGIP and SGIP). These studies would need to presume the presence of the proposed trunk line and then identify the direct assignment facilities necessary to connect qualifying remote generators to the proposed trunk line, as well as any additional “network upgrades” that could be occasioned by the qualifying remote generators. This means that any interconnection agreements that are already signed would have to be terminated, that any studies currently in progress would have to be abandoned, and that a new interconnection study be performed, presumably under the provisions of section 4.2 of the LGIP (the “cluster” study). If the parties voluntarily agree to terminate existing interconnection agreements, and to voluntarily suspend work on interconnection studies in progress, the provisions of section 24.1.3.2 (a) might be workable without a change to the existing LGIP.

But if parties that currently hold signed interconnection agreements, or that are in the middle of the interconnection study process, do not voluntarily relinquish their rights under the current LGIP, it may be impossible for the project proponent to satisfy the requirements set forth in section 24.1.3.2 (a) of the proposed tariff amendment. It appears to SDG&E that changes to the LGIP are probably going to be necessary to make the proposed tariff amendment effective.