

COMMENTS OF LSA, EDF-RENEWABLES, AND SPOWER ON 2020 DRAFT POLICY INITIATIVES CATALOG

The Large-scale Solar Association (LSA), EDF-Renewables (EDF-R), and SPower (collectively, the Suppliers) appreciate the opportunity to comment on the CAISO's Revised Draft Policy Initiatives Catalog (Catalog) for 2020, posted August 15, 2019. These comments address a new Catalog item entitled "Interconnection Process Enhancements" (Section 7.4.1), submitted for consideration by LSA member First Solar, described as follows (emphasis added):

This initiative would explore addressing modifications and clarifying previous generator interconnection process policy and support changing state policy goals. Topics to be considered in this initiative would include but are not limited to, modifying the effective date of study agreements after a project has been validated; **deliverability driven reliability network upgrades and associated cost reimbursement**, and other topics received from stakeholders.

This item is closely related to a prior discussion in the 2018 Interconnection Process Enhancements (IPE) initiative. Joint comments submitted by the Suppliers on draft tariff language for the upcoming 2018 IPE tariff filing recommended a clarification that Reliability Network Upgrades (RNUs) triggered by Delivery Network Upgrades (DNU) – a.k.a. "DNU-triggered RNUs" – should be considered DNU, not RNUs, in comparing RNU costs to the RNU reimbursement cap.

CAISO Tariff Appendix A states that RNUs are (emphasis added):

"...transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to **interconnect** one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the **interconnection** of one or more Generating Facility(ies)..."

In other words, DNU-triggered RNUs, which are related to deliverability of generation units under study more than their interconnection, do not meet the CAISO's RNU definition and should not be treated as RNUs, at least for purposes of cost reimbursement.

The CAISO did not incorporate the suggested clarification in the tariff language, because this issue was not addressed in the stakeholder initiative, and also the CAISO seemed to still be determining its position on this issue. Instead, the CAISO said on a July 17th, 2019 conference call that it planned to post a "paper" and/or hold a stakeholder process on this issue at a later time, perhaps later this year or 1Q 2020. In the meantime, the "status quo" still applies, i.e., these upgrades are considered RNUs and subject to the reimbursement cap.

The CAISO's inclusion of this new item in the Catalog reflects its statements on the conference call. However, consistent with that commitment to address the issue soon, the suppliers urge the CAISO to do the following:

- **Include this item in Section 6 of the Catalog** ("Initiatives Currently Underway and Planned") instead of Section 7; and
- **Modify its 2019 or 2020 Policy Initiatives Roadmap to incorporate this item**, or at least the element addressing DNU-triggered RNUs.

These upgrade costs can be significant for generation developers, and CAISO should not allow this ambiguity – which impacts economic decisions for affected projects – to continue indefinitely.

The Suppliers look forward to seeing this change in the final Catalog revision.