

Stakeholder Comments Template

**Integration of Transmission Planning and Generation
Interconnection Procedures (TPP-GIP Integration)
Straw Proposal, July 21, 2011**

Submitted by	Company	Date Submitted
Daniel Kim Email: daniel.h.kim@me.com Address: PO Box 582844 Elk Grove, CA 95757 Phone: (916) 709-9289	Westlands Solar Park	August 9, 2011

This template is for submission of stakeholder comments on the topics listed below, covered in the TPP-GIP Integration Straw Proposal posted on July 21, 2011 and discussed during the stakeholder meeting on July 28, 2011.

Please submit your comments below where indicated. At the end of this template you may add your comments on any other aspect of this initiative not covered in the topics listed. If you express support for a preferred approach for a particular topic, your comments will be most useful if you explain the reasons and business case behind your support.

Please submit comments (in MS Word) to TPP-GIP@caiso.com no later than the close of business on Tuesday, August 9, 2011.

1. The ISO has laid out several objectives for this initiative. Please indicate whether your organization believes these objectives are appropriate and complete. If your organization believes the list to be incomplete, please specify what additional objectives the ISO should include.

In general the Westlands Solar Park agrees with the objectives as outlined by the CAISO straw proposal.

2. At the end of the Objectives section (section 4) of the straw proposal, the ISO lists seven previously identified GIP issues that may be addressed within the scope of this initiative.
 - a. Please indicate whether your organization agrees with any or all of the identified topics as in scope. If not, please indicate why not.

The WSP generally supports the 7 objectives in the straw proposal but we do have comments on objective #1. The WSP believes the key to

transmission planning is to adopt a comprehensive planning approach that addresses all the needs of the transmission system and plans for its evolution to accomplish the policy goals for the state.

This comprehensive plan needs to first look at areas where a master plan approach can be implemented that phases in both generation and transmission over a period of time thereby eliminating the “chicken or the egg” scenario that is traditional between these two areas of investment. By planning both the generation and transmission in a phased approach over time the market can respond and build in the most efficient way to meet the state’s renewable goals.

The key to master planning is the ability to have long-term control of key areas for development (i.e. land and permitting) and identifying competitive solar/wind resource areas. An example of this model is what has been done thru the RETI stakeholder process and their identification of low conflict competitive renewable resource areas in California for both generation and transmission.

In our view this master planning approach at the state level is the most important factor associated with the ISO’s goals of integrating projects into the TPP process. The specifics of integrating the IC customers in cluster 4 into the TPP process can be done in multiple ways and we believe the ISO has done a very good job of evaluating the potential paths forward in that regard.

Lastly, at the July 28th workshop there was a discussion on the issue of whether the CAISO should open up for review transmission that has been previously earmarked for projects in earlier clusters. We believe that in order for a comprehensive planning approach to be successfully developed the CAISO needs to readjust the generation assumptions and transmission decisions from earlier clusters for renewable zones that were viable years ago but are no longer viable now due to environmental or permitting concerns. The CAISO shouldn’t discount the technological changes, price competition and siting experiences that latter clusters (i.e. cluster 3 and 4) bring to the table that make it necessary to revisit previous decisions and assumptions.

Also, as a overarching principle for the straw proposal we ask that the CAISO not adopt rules that may slow the process down or impose any new requirements on IC’s since transmission planning decisions need to be made by the PTO’s and the CAISO soon in order to meet the state’s renewable goals by 2020.

- b. Please identify any other unresolved GIP issues not on this list that should be in scope, and explain why.

No comment at this time.

3. Stage 1 of the ISO’s proposal offers two options for conducting the GIP cluster studies and transitioning the results into TPP.
 - a. Which option, Option 1A or Option 1B, best achieves the objectives of this initiative, and why? Are there other options the ISO should consider for structuring the GIP study process?

The WSP believes that option 1B may have potential benefit to the market by helping to provide more certainty to developers at an earlier date.

- b. What, if any, modifications to the GIP study process might be needed?

No comment at this time.

4. Stage 2 of the straw proposal adds a step to the end of the TPP cycle, in which the ISO identifies and estimates the costs of additional network upgrades to meet the interconnection needs of the cluster. Please offer comments and suggestions for how to make this step produce the most accurate and useful results.

No comment at this time.

5. Stage 3 of the straw proposal identifies three options for allocating ratepayer funded upgrades to interconnection customers in over-subscribed areas.
 - a. Please identify which option, Option 3A, 3B, or 3C, your organization prefers and why. Are there other options the ISO should consider?

The WSP believes that all 3 options could work and be an improvement upon the current process.

- b. If Option 3A is selected, what are appropriate milestones to determine which projects are the “first comers?”

The WSP supports the idea of identifying appropriate milestones to determine which projects are the “first comers”. In this regard we believe that any identification needs be a universal and based on previously approved and vetted stakeholder processes such as using CREZ designations, as determined through the RETI process, to identify projects that are “first comers”.

- c. If Option 3B is selected, what is the appropriate methodology for determining pro rata cost shares?

No comment at this time.

- d. If Option 3C is selected, how should such an auction be conducted and what should be done with the auction proceeds from the winning bidders?

No comment at this time.

- 6. The straw proposal describes how the merchant transmission model in the current ISO tariff could apply to network upgrades that are paid for by an interconnection customer and not reimbursed by transmission ratepayers. Do you agree that the merchant transmission model is the appropriate tariff treatment of such upgrades, or should other approaches be considered? If you propose another approach, please describe the business case for why such approach is preferable.

No comment at this time.

- 7. Stage 3 of the proposal also addresses the situation where an IC pays for a network upgrade and later ICs benefit from these network upgrades.
 - a. Should the ISO's role in this case be limited to allocating option CRRs to the IC that paid for the upgrades?

No comment at this time.

- b. Should the ISO include provisions for later ICs that benefit from network upgrades to compensate the earlier ICs that paid for the upgrades?

No comment at this time.

- 8. In order to transition from the current framework to the new framework, the ISO proposes Clusters 1 and 2 proceed under the original structure, Cluster 5 would proceed using the new rules, and Clusters 3 and 4 would be given an option to continue under the new rules after they receive the results their GIP Phase 1 studies.
 - a. Please indicate whether you agree with this transition plan or would prefer a different approach. If you propose an alternative, please describe fully the reasons why your approach is preferable.

This approach seems reasonable to us as changing the rules on a cluster that is already in process is potentially problematic for commercial developers. The ISO may need discretion at some point in the future to remove queue applications from the cluster process that do not achieve

development milestones and would probably necessitate a re-study of all existing projects.

- b. If the straw proposal for the transition treatment of clusters 3 and 4 is adopted and a project in cluster 3 or 4 drops out instead of proceeding under the new rules, should the ISO provide any refunds or other compensation to such projects? If so, please indicate what compensation should be provided and why.

If the ISO provides the IC's with an option of how to proceed forward then refunds are not necessary. If the ISO forces IC's into new rules without the ability to choose then a partial or full return of the deposits placed to date would be a reasonable resolution.

9. Some stakeholders have expressed a need for the ISO to restudy the need for and costs of network upgrades when projects drop out of the queue. The ISO seeks comment on when and restudies should be conducted, in the context of the proposed new TPP-GIP framework.

No comment this time.

10. Some stakeholders have suggested that there may be benefits of conducting TPP first and then have developers submit their projects to the GIP based on the TPP results. Does your organization believe that conducting the process in such a manner is useful and reasonable?

We strongly believe that the planning process should always lead the commercial development process. We support this concept of identifying the policy driven transmission lines first or in parallel with the completion of the GIP phase 1 study results. From a master planning approach it is better to identify where you want transmission to go first based on a variety of critical factors (i.e. permissibility, land use constraints, existing corridors, proximity to CREZ's) and then design where to locate collector stations and gen tie's that will connect to the various renewable projects.

11. Please comment below on any other aspects of this initiative that were not covered in the questions above.

No comment at this time.