

TPP/GIP Working Group Meeting - Breakout Group 2 - December 1, 2011

Lorenzo Kristov (CAISO) - Moderator  
Alan Comnes SunPower  
Dan Kim (Westlands Solar Park)  
John Jontry (SDG&E)  
Gary Ackerman (WITG)  
Ellen Bermann (Brightsource)  
Curtis Seymour (SunEdison)  
Jill Horswell (SCE)  
Jim Filippi (First Solar)  
Barry Flynn (Flynn RCI / Munis)  
Susan Schneider (Phoenix Consulting - CalWEA)  
Bob Tang (City of Riverside)  
Leslie Padilla (Sempra Gen)  
Christian Hackett (Pattern)

Notes:

- Does the CPUC procurement process contain an incentive to be in the queue?
- Does the 33% policy focus of the TPP limit too much the process for interconnecting other generators? At what point will the TPP incorporate non-renewable generation (e.g. generators needed for integration). CAISO response: in the next cycle 2012/2013 TPP cycle.
  
- LSE Short-listing of projects seems like a useful milestone for triggering timing of allocation of deliverable transmission capacity.
  
- Draft transmission plan will have deliverable MW #'s for each renewable area: now move on to how to allocate.
- GIP process will identify in Phase 1, reliability upgrades and may determine the upgrades needed to make all generation deliverable.
- Need to focus on cost of how we are going about reaching 33%.
- Among the 4 options, are there any that the group believes can be eliminated from the discussion? Answer no.
  - IEP has supported pro-rata
  - Six Cities has supported auction process - skin in the game for generators.
- CAISO should consider identifying incremental upgrades above and beyond the 33% TPP studies.
- **Consensus point:** Should previous clusters be subject to the new rules? Many group members advocate a comprehensive re-look at the entire queue.
- **Consensus point:** Allocation methodology should have as an objective to match up allocation of deliverability with procurement.
- **Consensus point:** GIP Phase 1 should be revised to study a more realistic set of transmission/generation amounts.
  
- Concern: Under a voluntary transition for previous clusters, there is some risk for projects that have move so far along that money has been expended by the PTO under a GIA.

- Market Participants should have the opportunity to nominate zones outside those identified in CAISO resource portfolios.
- [added by SunPower]: Concern over LSE allocation: who owns deliverable right once project is COD. Do rights revert back to LSE after PPA over or can they be transferred to generator for life of generator.
- Some parties advocated that stakeholders should have the opportunity to nominate zones outside those identified in the CAISO resource portfolios to be included in the assumptions for the TPP.
- Allocation methodology discussion:
  - LSE Allocation: First Solar, PG&E, (Riverside 2nd choice), Westlands, Brightsource - consistent with procurement results (need additional safeguards to ensure projects already in the queue with PPAs are grandfathered and ensured to be allocated deliverability)
  - Ranking - (Westlands 2nd choice), (Brightsource 2nd choice)
  - Auction - Riverside - skin in the game, Flynn (not strong, none should be eliminated yet)
  - Pro-rata