

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the 2018 IPE stakeholder initiative **Addendum #2 to the Draft Final Proposal** posted on December 21, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due January 11, 2019 by 5:00pm

The Addendum #2 to the draft final proposal posted on December 21, 2018 and the presentation discussed during the January 3, 2019 stakeholder meeting are on the CAISO webpage at the following link:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/InterconnectionProcessEnhancements.aspx>. Please use this template to provide your written comments on the Issue Paper topics listed below and any additional comments you wish to provide. The numbering is based on the sections in the Issue Paper for convenience.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

EDF-Renewables, Inc. (EDF-R) offers these comments on the CAISO's 2018 Interconnection Process Enhancements (IPE) Draft Final Proposal Addendum 2.

EDF-R strongly supports the changes proposed by the CAISO from the first Addendum. In addition, EDF-R requests CAISO clarification of two items related to Interconnection Service Reliability Network Upgrades (ISRNUs). These comments and clarification requests are explained in detail below.

Addendum 2 changes: EDF-R strongly supports the following changes in Addendum 2:

- **Retaining the current milestone for when a Conditionally Assigned Network Upgrade (CANU) becomes a Precursor Network Upgrade (PNU)**, and cannot be assigned to a later cluster. The Addendum retains the current milestone of GIA execution by at least one project assigned the upgrade executes a GIA, reversing the proposed change in prior proposals to the Third Interconnection Financial Security (IFS) posting by at least one project assigned the upgrade.

EDF-R's prior comments on the first Addendum noted that there has been no demonstration that PTOs or ratepayers have actually been harmed when projects drop out between GIA execution and the third IFS posting, given the large second-posting forfeits and the upgrades no longer needed.

SCE opposed this change on the January 3rd conference call, calling it "backsliding" and "disappointing." However, SCE presented no new evidence supporting its position that the CAISO should change the current milestone. Moreover, as the CAISO explained on the call, the removal of GIA execution as a Transmission Plan (TP) Deliverability requirement should postpone the milestone for PTO assumption of financial responsibility until projects are genuinely ready to proceed.

- **Including a project's preliminary “allocated” Phase I Study CANU costs in the Maximum Cost Exposure (MCE)** until the Phase II Study is issued (when those CANU amounts would be finalized). Prior proposals would have included 100% of each estimated CANU cost in each project's MCE in the Phase I Study. Consistent with EDF-R's earlier comments, this change will help developers trying to market projects sooner, given earlier worst-case cost responsibility estimates.
- **Reducing MCE when the Maximum Cost Responsibility (MCR) is reduced** (per GIDAP Section 7.4), and noting that it could increase later due to "system changes" – consistent with the current policy. Prior proposals would have kept the MCE the same even if MCR is reduced, even though such "system changes" are extremely rare and are not likely to occur.

Clarifications requested

EDF-R does not agree with CAISO's proposals for shared ISRNUs, believing that these upgrades should be treated like other RNUs. The CAISO's current proposal to include only the allocated ISRNU cost in Current Cost Responsibility (CCR) and the full (100%) cost in MCR (and thus MCE) for each project sharing the upgrade is at least better than earlier proposals in this initiative, which seemed to include 100% of shared ISRNU costs in the CCR as well.

Assuming that the CAISO retains the current proposal, EDF-R asks that the CAISO provide two clarifications.

First, inclusion of 100% of shared ISRNU costs in the MCR should be only for the purpose of covering the cost of those upgrades to the extent that other projects sharing it drop out. In other words, it should not be used as the basis for reallocating other NUs to the project.

Second, the cost above the amount allocated to each project should be removed from the MCR (and MCE) when all projects sharing the ISRNU execute GIAs and make their third IFS postings for that ISRNU; moreover, they should be allowed to make that posting for the ISRNU as soon as the GIA is executed. PTOs have no further financing risk at that point, so there is no reason to continue including the amount above the allocated cost for a project in the MCR/MCE.

10. Additional Comments