**Appendix A**

**- Assigned Network Upgrade (ANU)**

Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude (1) Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades, and (2) Precursor Network Upgrades.

**- Conditionally Assigned Network Upgrade (CANU)**

Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

**- Current Cost Responsibility (CCR)**

The Interconnection Customer’s current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer’s Interconnection Financial Security requirement.

**- Interconnection Financial Security (IFS)**

Any of the financial instruments listed in Section 9.1 of Appendix Y and Section 11.1 of Appendix DD that are posted by an Interconnection Customer to finance the construction of facilities or Network Upgrades

**- Interconnection Reliability Network Upgrade (IRNU)**

Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

* **General Reliability Network Upgrade (GRNU)**

Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

**- Maximum Cost Exposure (MCE)**

Pursuant to Appendix DD, the sum of (1) the Interconnection Customer’s Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Phase I or Phase II Interconnection Study.

**- Maximum Cost Responsibility (MCR)**

Pursuant to Appendix DD, the lower sum of the Interconnection Customer’s (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Phase I or Phase II Interconnection Studies, not to exceed the Maximum Cost Exposure.

**- Precursor Network Upgrades (PNU)**

Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

**- Reliability Network Upgrade (RNU)**

The 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), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management, Operating Procedures, or Special Protection Systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility’s interconnection may have on a path’s WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

**Appendix DD**

**Generator Interconnection and Deliverability Allocation Procedures (GIDAP)**

#### 4.2.1.2 Requirement Set Number Two: for Requests for Independent Study of Behind-the-Meter Capacity Expansion of Generating Facilities

This Section 4.2.1.2 applies to an Interconnection Request relating to a behind-the-meter capacity expansion of a Generating Facility. Such an Interconnection Request submitted under the Independent Study Process will satisfy the requirements of Section 4.2.1 if it satisfies all of the following technical and business criteria:

(i) Technical criteria.

1) The total nameplate capacity of the existing Generating Facility plus the incremental increase in capacity does not exceed in the aggregate one hundred twenty-five (125) percent of its previously studied capacity and the incremental increase in capacity does not exceed, in the aggregate, including any prior behind-the-meter capacity expansions implemented pursuant to this Section 4.2.1.2, one hundred (100) MW.

2) The behind-the-meter capacity expansion shall not take place until after the original Generating Facility has achieved Commercial Operation and all Reliability Network Upgrades for the original Generating Facility have been placed in service. An Interconnection Request for behind-the-meter capacity expansion may be submitted prior to the Commercial Operation Date of the original Generating Facility.

3) The Interconnection Customer must install an automatic generator tripping scheme sufficient to ensure that the total output of the Generating Facility, including the behind-the-meter capacity expansion, does not at any time exceed the capacity studied in the Generating Facility’s original Interconnection Request. The CAISO will have the authority to trip the generating equipment subject to the automatic generator tripping scheme or take any other actions necessary to limit the output of the Generating Facility so that the total output of the Generating Facility does not exceed the originally studied capacity.

(ii) Business criteria.

1) The Deliverability Status (Full Capacity, Partial Capacity or Energy-Only) of the original Generating Facility will remain the same after the behind-the-meter capacity expansion. The capacity expansion will have Energy-Only Deliverability Status unless otherwise specified in this GIDAP, and the original Generating Facility and the behind-the-meter capacity expansion will be metered separately from one another and be assigned separate Resource IDs, except as set forth in (2) below.

2) If the original Generating Facility has Full Capacity Deliverability Status and the behind-the-meter capacity expansion will use the same technology as the original Generating Facility, the Interconnection Customer may elect to have the original Generating Facility and the behind-the-meter capacity expansion metered together, in which case both the original Generating Facility and the behind-the-meter capacity expansion may have Partial Capacity Deliverability Status and a separate Resource ID will not be established for the behind-the-meter capacity expansion.

3) A request for behind-the-meter expansion shall not operate as a basis under the CAISO Tariff to increase the Deliverability of the Generating Facility beyond what was or would have been allocated to the original Generating Facility before the Interconnection Request for the behind-the-meter capacity expansion, unless the expansion has received a separate TP Deliverability allocation pursuant to Section 8.9.2.

4) The GIA will be amended to reflect the revised operational features of the Generating Facility’s behind-the-meter capacity expansion.

5) An active Interconnection Customer may at any time request that the CAISO convert the Interconnection Request for behind-the-meter capacity expansion to an Independent Study Process Interconnection Request to evaluate an incremental increase in electrical output (MW generating capacity) for the existing Generating Facility. The Interconnection Customer must accompany such a conversion request with an appropriate Interconnection Study Deposit and agree to comply with other sections of Section 4 applicable to an Independent Study Process Interconnection Request.

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## 6.2. Scope and Purpose of Phase I Interconnection Study

The Phase I Interconnection Study shall:

(i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the CAISO Controlled Grid,

(ii) preliminarily identify all LDNUs and RNUs needed to address the impacts on the CAISO Controlled Grid of the Interconnection Requests, as Assigned Network Upgrades or Conditionally Assigned Network Upgrades,

(iii) preliminarily identify for each Interconnection Request required Interconnection Facilities,

(iv) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall transmission upgrades costs,

(v) establish the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure for each Interconnection Request, until the issuance of the Phase II Interconnection Study report,

(vi) provide a good faith estimate of the cost of Interconnection Facilities for each Interconnection Request,

(vii) provide a cost estimate of ADNUs for each Generating Facility in a Queue Cluster Group Study,

(viii) identify any Precursor Network Upgrades, and

(ix) identify RNUs as GRNUs or IRNUs.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment (and Off-Peak Deliverability Assessment which will be for informational purposes only) for the purpose of identifying LDNUs and estimating the cost of ADNUs, as applicable.

The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually.

The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of RNUs and LDNUs to the CAISO Controlled Grid that are preliminarily identified as Assigned Network Upgrades or Conditionally Assigned Network Upgrades required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Participating TO’s Interconnection Facilities associated with each Interconnection Request, the estimated costs of ADNUs, if applicable and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

## 6.3 Identification of and Cost Allocation for Network Upgrades

### 6.3.1 Reliability Network Upgrades (RNUs).

The CAISO, in coordination with the applicable Participating TO(s), will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the RNUs needed to interconnect the Generating Facilities to the CAISO Controlled Grid. The CAISO, in coordination with the applicable Participating TO(s), shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify Reliability Criteria violations, including applicable thermal overloads, that must be mitigated by RNUs.

The cost of all RNUs identified in the Phase I Interconnection Study shall be estimated in accordance with Section 6.4. The estimated costs of short circuit related GRNUs identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the short circuit duty contribution of each Generating Facility. The estimated costs of all other GRNUs identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request. The estimated costs of RNUs identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

Pursuant to Section 8.3, Interconnection Customers assigned IRNUs in their Phase I Interconnection Study will be allocated the full cost of their IRNUs in their Maximum Cost Responsibility. The Maximum Cost Exposure will include the full costs of conditionally assigned IRNUs. The Current Cost Responsibility will include their allocated share of IRNU costs as determined for RNUs in Section 8.3.

### 6.3.2 Delivery Network Upgrades.

#### 6.3.2.1 The On-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform On-Peak Deliverability Assessments for Interconnection Customers selecting Full Capacity or Partial Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer’s Generating Facility’s ability to deliver its Energy to the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity or Partial Capacity Deliverability Status. The Deliverability Assessment will consist of two rounds, the first of which will identify any transmission constraints that limit the Deliverability of the Generating Facilities in the Group Study and will identify LDNUs to relieve the local constraints, and second of which will determine ADNUs to relieve the area constraints.

##### 6.3.2.1.1 Local Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used to establish the Maximum Cost Responsibility and Maximum Cost Exposure for LDNUs for each Interconnection Customer selecting Full Capacity or Partial Capacity Deliverability Status. Deliverability of a new Generating Facility will be assessed on the same basis as all existing resources interconnected to the CAISO Controlled Grid.

The methodology for the On-Peak Deliverability Assessment will be published on the CAISO Website or, when effective, included in a CAISO Business Practice Manual. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point.

The cost of LDNUs identified in the On-Peak Deliverability Assessment as part of a Phase I Interconnection Study shall be estimated in accordance with Section 6.4. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

##### 6.3.2.1.2 Area Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used in the Phase I Interconnection Studies to identify those facilities necessary to provide the incremental Deliverability between the level of TP Deliverability and such additional amount of Deliverability as is necessary for the MW capacity amount of generation targeted in the Phase I Interconnection Studies. Based on such facility cost estimates, the CAISO will calculate a rate for ADNU costs equal to the facility cost estimate divided by the additional amount of Deliverability targeted in the study. The Phase I Interconnection Studies shall provide a cost estimate for each Interconnection Customer which equals the rate multiplied by the requested deliverable MW capacity of the Generating Facility in the Interconnection Request.

##### 6.3.2.1.3 [Intentionally Omitted]

#### 6.3.2.2 Off-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform an Off-Peak Deliverability Assessment to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, if any, for a Group Study or individual Phase I Interconnection Study that includes one or more Location Constrained Resource Interconnection Generators (LCRIG), where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions.

The transmission upgrades identified under this Section shall comprise those needed for the full maximum megawatt electrical output of each proposed new LCRIG or the amount of megawatt increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Group Study, to be deliverable to the aggregate of Load on the CAISO Controlled Grid under the Generation dispatch conditions studied. The methodology for the Off-Peak Deliverability Assessment will be published on the CAISO Website or, if applicable, included in a CAISO Business Practice Manual.

The CAISO will perform the Off-Peak Deliverability Assessment for Interconnection Customer informational purposes only, and any such upgrades identified in the Off-Peak Deliverability Assessment as part of the Phase I Interconnection Study shall be estimated in accordance with Section 6.4. The estimated costs of such upgrades identified in the assessment will be referred to as “off peak Deliverability transmission upgrades,' the description of such upgrades in any report will be conceptual in nature, and such transmission upgrades will not be included as an Assigned Network Upgrade or Conditionally Assigned Network Upgrade within the applicable Interconnection Study report.

The cost of all transmission upgrades identified in the Off-Peak Deliverability Assessment performed during the course of the Phase I Interconnection Study shall be estimated in accordance with Section 6.4. However, because these transmission upgrades shall be conceptual in nature only these upgrades shall be treated as follows:

(i) these transmission upgrades will not be required for the proposed Generating Facility (or proposed increase in capacity) that is the subject to the Interconnection Request to achieve Full Capacity Deliverability Status;

(ii) the estimated costs for these transmission upgrades shall not be assigned to any Interconnection Customer in an Interconnection Study report, such costs shall not be considered in determining the Current Cost Responsibility or Maximum Cost Responsibility of the Interconnection Customer for Network Upgrades under this or in determining the Interconnection Financial Security than an Interconnection Customer must post under Section 11;

(iii) and the applicable Participating TO(s) shall not be responsible under this for financing or constructing such transmission upgrades.

## 6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs

Each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems.

These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Network Upgrades and Participating TO’s Interconnection Facilities. Deviations from a Participating TO’s benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

Prior to adoption and publication of final per unit costs for use in the Interconnection Study Cycle, the CAISO shall publish to the CAISO Website draft per unit costs, including non-confidential information regarding the bases therefore, hold a stakeholder meeting to address the draft per unit costs, and permit stakeholders to provide comments on the draft per unit costs. A schedule for the release and review of per unit costs is set forth in Appendix 5.

…

## 6.7.2 Modifications.

**6.7.2.1** At any time during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the applicable Participating TO(s), the CAISO, and Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request’s eligibility for participating in Interconnection Studies.

**6.7.2.2** At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer’s modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; (d) modifying the In-Service Date, Initial Synchronization Date, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld; (e) change in Point of Interconnection as set forth in Section 6.7.2.1; and (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status.

For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section.

If any Interconnection Customer requested modification after the Phase II Interconnection Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

**…**

## 7.3 Postings and Cost Estimates for Network Upgrades

Notwithstanding the Interconnection Customer’s Maximum Cost Responsibility and Maximum Cost Exposure, until such time as the Phase II Interconnection Study report is issued to the Interconnection Customer, the allocated costs for Assigned Network Upgrades for each Interconnection Customer for RNUs and LDNUs in the Phase I Interconnection Study report shall establish the value for

(i) each Interconnection Customer's Current Cost Responsibility; and

(ii) the initial posting of Interconnection Financial Security required from each Interconnection Customer under Section 11.2 for such Network Upgrades.

## 7.4 Reassessment Process

**7.4.1** The CAISO will perform a reassessment of the Phase I Interconnection Study base case prior to the beginning of the GIDAP Phase II Interconnection Studies. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Phase I Interconnection Study of:

(a) Interconnection Request withdrawals occurring after the completion of the Phase II Interconnection Studies for the immediately preceding Queue Cluster;

(b) Generator Downsizing Requests submitted in the most recent Generator Downsizing Request Window that meet the requirements set forth in Section 7.5, and Generating Facilities that are to have their generating capacities reduced pursuant to Sections 8.9.4, 8.9.5, and 8.9.6;

(c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;

(d) changes in TP Deliverability allocations or Deliverability Status;

(e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,

(f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The reassessment will be used to develop the base case for the Phase II Interconnection Study

**7.4.2** Where, as a consequence of the reassessment, the CAISO determines that changes to the previously identified Network Upgrades in Queue Clusters earlier than the current Interconnection Study Cycle will cause changes to plans of service set out in executed GIAs, such changes will serve as a basis for amendments to GIAs.

**7.4.3** Such changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

(i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and $1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network Upgrades included in the Interconnection Customer’s plan of service.

(ii) If an Interconnection Customer’s Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO’s system that occurs after the completion of the Interconnection Customer’s Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer’s estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer’s Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer’s Phase II Interconnection Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer’s Maximum Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Studies.

(iii) To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will adjust the Interconnection Customer’s Maximum Cost Exposure, as applicable.

(iv) To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer’s Current Cost Responsibility and Maximum Cost Responsibility, as applicable.

(v) The posted Interconnection Financial Security required of the Interconnection Customer for Network Upgrades shall be adjusted to correspond to any increase in the Interconnection Customer’s Current Cost Responsibility any time after but no later than sixty (60) calendar days after issuance of a reassessment report. The CAISO will notify an Interconnection Customer that receives a downward adjustment to its Current Cost Responsibility pursuant to this Section, and the Interconnection Customer may choose to adjust its posted Interconnection Financial Security within sixty (60) calendar days of the issuance of the reassessment report.

…

### 7.5.11 Cost Allocation for Network Upgrades

A Downsizing Generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the Downsizing Generator as determined by the CAISO Tariff interconnection study procedures applicable to the Downsizing Generator. For determining any changes to a Downsizing Generator’s Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the Downsizing Generator’s pre-downsizing share of the original cost allocation.

…

## 7.6 Application of Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse non-refundable interconnection study deposit and interconnection financial security amounts in accordance with the provisions of Appendix Y to the CAISO Tariff and this GIDAP as follows:

(a) Withdrawal Period

The CAISO shall calculate non-refundable interconnection study deposit and interconnection financial security amounts based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement. The first such withdrawal period shall be from January 1, 2013 through the last day that the CAISO is able to incorporate withdrawals into the 2015 annual reassessment. Subsequently, each withdrawal period shall be the approximate twelve-month period between the last day that the CAISO is able to incorporate withdrawals into an annual reassessment and the last day that the CAISO is able to incorporate withdrawals into the subsequent year’s reassessment.

For each withdrawal period, the CAISO shall calculate and disburse available non-refundable interconnection study deposits and interconnection financial security in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

(b) Calculation and Disbursement of Non-Refundable Interconnection Financial Security for Still-Needed Network Upgrades At or Above $100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement, the CAISO shall calculate the proportion of the non-refundable Interconnection Financial Security that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer’s Current Cost Responsibility for the Network Upgrade by the Interconnection Customer’s total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer’s total amount of non-refundable Interconnection Financial Security.

If the amount of non-refundable security attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than $100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be disbursed by the CAISO in the same manner in a subsequent reassessment, based on the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(c).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(c).

(c) Calculation and Disbursement of All Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any non-refundable Interconnection Study Deposits, as well as any non-refundable Interconnection Financial Security not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO’s Transmission Access Charge, and to offset Local Transmission Revenue Requirements. Any non-refundable Interconnection Financial Security and Interconnection Study Deposits relating to withdrawals or terminations that occurred prior to January 1, 2013 that are collected by the CAISO during a withdrawal period, as defined in Section 7.6(a), will also be disbursed in accordance with this provision.

This offset shall be performed by first allocating these non-refundable Interconnection Study Deposit and Interconnection Financial Security amounts to the following three categories in proportion to the Interconnection Customer’s most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO’s Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO’s most recent Regional Transmission Revenue Requirement to the total of all Participating TOs’ most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(d) Disbursement of Funds by CAISO; Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those non-refundable Interconnection Financial Security and Study Deposit amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any non-refundable financial security where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO’s submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

(e) The CAISO shall, upon receipt, deposit all non-refundable Interconnection Financial Security and Interconnection Study Deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6.

# Section 8 Phase II Interconnection Study and TP Deliverability Allocation Processes

The provisions of this Section 8 shall apply to all Interconnection Requests under this GIDAP except those processed under the Independent Study Process selecting Energy Only Deliverability Status, the Fast Track Process, or the 10 kW inverter process.

## 8.1 Scope of Phase II Interconnection Study

### 8.1.1 Purpose of the Phase II Interconnection Study

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall:

(i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests from the current Queue Cluster;

(ii) identify final GRNUs and IRNUs needed in order to achieve Commercial Operation status for the Generating Facilities and provide final cost estimates;

(iii) identify final LDNUs needed to interconnect those Generating Facilities selecting Full Capacity or Partial Capacity Deliverability Status and provide final cost estimates;

(iv) identify final ADNUs for Interconnection Customers selecting Option (B), as provided below and provide revised cost estimates;

(v) identify, for each Interconnection Request, the Participating TO’s Interconnection Facilities for the final Point of Interconnection and provide a +/-20% cost estimate;

(vi) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities;

(vii) update the Interconnection Customer’s Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable; and

(viii) provide updated Precursor Network Upgrades needed to achieve the Commercial Operation status and Deliverability Status for the Generating Facilities.

The Phase II Interconnection Study report shall set forth the applicable cost estimates for Network Upgrades and Participating TOs Interconnection Facilities that shall be the basis for Interconnection Financial Security Postings under Section 11.3. Where the Maximum Cost Responsibility is based upon the Phase I Interconnection Study (because it is lower under Section 10.1), the Phase II Interconnection Study report shall recite this fact.

To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will reduce the Interconnection Customer’s Maximum Cost Exposure, as applicable. To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer’s Current Cost Responsibility and Maximum Cost Responsibility.

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## 8.3 Cost Responsibility for Reliability Network Upgrades

Cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study of an Interconnection Request shall be assigned to Interconnection Customers regardless of whether the Interconnection Customer has selected Option (A) or (B) or Energy Only Deliverability Status, as follows:

(i) The cost responsibility for final short circuit related General Reliability Network Upgrades shall be assigned to all Interconnection Requests in the Group Study proportional to the short circuit duty contribution of each Generating Facility.

(ii) The cost responsibility for all other final General Reliability Network Upgrades shall be assigned to all Interconnection Requests in that Group Study proportional to the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

(iii) The Interconnection Customer’s Current Cost Responsibility will include its allocated cost share for Interconnection Reliability Network Upgrades that are Assigned Network Upgrades. The CAISO will allocate assigned Interconnection Reliability Network Upgrade costs proportional to the number of Interconnection Requests that have been assigned the Interconnection Reliability Network Upgrade in the current Queue Cluster;

(iv) The Interconnection Customer’s Maximum Cost Responsibility will include the full cost of Assigned Network Upgrades that are Interconnection Reliability Network Upgrades unless another Interconnection Customer in the same Queue makes its third Interconnection Financial Security posting for the same assigned Interconnection Reliability Network Upgrade, in which case the CAISO will reduce the Interconnection Customer’s Maximum Cost Responsibility to its allocated share pursuant to subsection (iii).

(v) The Maximum Cost Exposure will include the full cost of Interconnection Reliability Network Upgrades that are Assigned Network Upgrades and Conditionally Assigned Network Upgrades. The CAISO may reduce the Maximum Cost Exposure consistent with subsection (iv).

## 8.4 Cost Responsibility for Delivery Network Upgrades

The cost responsibility for Local Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of the Phase II Interconnection Study shall be assigned to all Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status, regardless of whether the Interconnection Customer has selected Option (A) or (B), based on the flow impact of each such Generating Facility on each Local Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

The cost responsibility for Area Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of Phase II Interconnection Study shall be assigned to Interconnection Customers who have selected Option (B) Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

The Current Cost Responsibility provided in the Phase II Interconnection Study shall establish the basis for the second Interconnection Financial Security Posting for Interconnection Customers selecting Option (B).

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**8.9.2.3 Proceeding without a Power Purchase Agreement**

Interconnection Customers only may attest that they are proceeding without a power purchase agreement in the allocation cycle immediately following receipt of their Phase II Interconnection Study (without having parked). Interconnection Customers that receive TP Deliverability in this group may park only that portion of their Interconnection Request that does not receive TP Deliverability. Parked portions may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection Customers that receive TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.

If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it must accept the TP Deliverability allocation and forego parking that capacity, or withdraw. If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or modify its Commercial Operation Date beyond the earlier of (a) the date established in its Interconnection Request when it requests TP Deliverability or (b) seven (7) years from the date the CAISO received its Interconnection Request. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Date under these requirements and as specified in their GIA will be converted to Energy Only. Interconnection Customers that become Energy Only for this or any reason may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer’s assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

This Section 8.9.2.2 does not apply to Interconnection Customers that attested to balance-sheet financing or otherwise receiving a commitment of project financing before November 27, 2018, or that do so pursuant to Section 8.9.3.1.

### 8.9.3 Retaining TP Deliverability Allocation

For Interconnection Customers in Queue Cluster 10 or later, once a Generating Facility is allocated TP Deliverability under Section 8.9.1, the Interconnection Customer annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:

(1) The Generating Facility is in good standing with respect to the criteria on which the allocation of TP Deliverability was based;

(2) If the Generating Facility received TP Deliverability on the basis of having executed a power purchase agreement, it must have received regulatory approval of that agreement;

(3) If the Generating Facility received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by November 30 of the year it received TP Deliverability. It must then comply with criterion 8.9.3(2) the following year;

(4) If the Interconnection Customer has executed a GIA, it must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;

(5) The Interconnection Customer must maintain its Commercial Operation Date set forth in the GIA unless an extension is required for reasons beyond the control of the Interconnection Customer or such extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO’s construction of any Network Upgrades or Participating TO’s Interconnection Facilities

The Interconnection Customer will provide the required information in the form of an affidavit as described in the Business Practice Manual. Interconnection Customers that fail to meet these criteria will become Energy Only for that portion of the Generating Facility that has not retained TP Deliverability. An Interconnection Customer’s failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability Allocation may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer’s assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer’s project, this section 8.9.3 will apply to that portion of the project only.

**8.9.3.1 Retaining TP Deliverability Allocation for Pre-Cluster 10 Interconnection Customers**

Interconnection Customers in Queue Cluster 9 or earlier subject to this Appendix DD that have been allocated TP Deliverability or that parked pursuant to Section 8.9.4 or 8.9.4.1, annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:

(1) The Generating Facility is in good standing with respect to the criteria on which the allocation of TP Deliverability was based;

(2) If the Generating Facility received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by the start of the next allocation cycle, or attest to balance-sheet financing or receipt of a commitment of project financing;

(3) If the Interconnection Customer has executed a GIA, it must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;

(4) The Interconnection Customer must maintain its Commercial Operation Date set forth in the GIA unless an extension is required for reasons beyond the control of the Interconnection Customer or such extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO’s construction of any Network Upgrades or Participating TO’s Interconnection Facilities.

Interconnection Customers that have attested to balance-sheet financing or receipt of a commitment of project financing or do so pursuant to this Section are not subject to Section 8.9.2.2. Interconnection Customers that attest to balance-sheet financing pursuant to this Section 8.9.3.1 will be placed in TP Deliverability allocation group 8.9.2(3).

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### 8.9.5 Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities

If a Generating Facility is allocated TP Deliverability in the current Interconnection Study Cycle in an amount less than the amount of Deliverability requested, then the Interconnection Customer must choose one of the following options:

(i) Accept the allocated amount of TP Deliverability and reduce the MW generating capacity of the proposed Generating Facility such that the allocated amount of TP Deliverability will provide Full Capacity Deliverability Status to the reduced generating capacity;

(ii) Accept the allocated amount of TP Deliverability and adjust the Deliverability status of the proposed Generating Facility to achieve Partial Capacity Deliverability corresponding to the allocated TP Deliverability;

(iii) For Option (A) Generating Facilities, accept the allocated amount of TP Deliverability and seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle. In such instance, the Interconnection Customer shall execute a GIA for the entire Generating Facility having Partial Capacity Deliverability corresponding to the allocated amount of TP Deliverability. Following the next cycle of TP Deliverability allocation, the GIA shall be amended as needed to adjust its Deliverability status to reflect any additional allocation of TP Deliverability. At this time the Interconnection Customer may also adopt options (i) or (ii) above based on the final amount of TP Deliverability allocated to the Generating Facility. There will be no further opportunity for this Generating Facility to participate in any subsequent cycle of TP Deliverability allocation; or

(iv) Decline the allocated amount of TP Deliverability and either withdraw the Interconnection Request or convert to Energy Only Deliverability Status. An Interconnection Customer having an Option (A) Generating Facility that has not previously parked may decline the allocation of TP Deliverability and park until the next cycle of TP Deliverability allocation in the next Interconnection Study Cycle.

An Interconnection Customer that selects option (iii) or (iv) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

Interconnection Customers accepting a partial allocation of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

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**8.9.9 Deliverability Transfers**

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility’s Deliverability among its own Generating Units or Resource IDs at the Generating Facility. The Generating Units must be located at the same Point of Interconnection and operate under the same GIA. The Generating Facility’s aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee’s characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit’s Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units pursuant to Section 6.7.2.2 of this GIDAP, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section.

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# Section 10 Cost Responsibility for Interconnection Customers

## 10.1 Interconnection Customers in a Queue Cluster.

(a) RNUs and LDNUs.

The Interconnection Studies will establish Interconnection Customers’ Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure consistent with the cost allocations described in Section 8. The CAISO will adjust Interconnection Customers’ cost responsibilities as described in this GIDAP. Interconnection Customers will post Interconnection Financial Security based on their Current Cost Responsibility.

(b) ADNUs. Interconnection Customers selecting Option (A) do not post Interconnection Financial Security for ADNUs. The Current Cost Responsibility provided in the Phase I Interconnection Studies establishes the basis for the initial Interconnection Financial Security Posting under Section 11.2. For Interconnection Customers selecting Option (B), the Phase II Interconnection Studies shall refresh the Current Cost Responsibility for ADNUs and shall provide the basis for second and third Interconnection Financial Postings as specified in Section 11.

The ADNU cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for ADNUs. However, subsequent to the Interconnection Customer’s receipt of its Phase II Interconnection Study report, an Interconnection Customer having selected Option (B) may have its ADNUs adjusted in the reassessment process undertaken under Section 7.4. Accordingly, for such Interconnection Customers, the most recent annual reassessment undertaken under Section 7.4 shall provide the most recent cost estimates for the Interconnection Customer’s ADNUs.

## 10.2 Interconnection Customers in the Independent Study Process.

(a) Assigned Network Upgrades. The Current Cost Responsibility for the Interconnection Customer’s Financial Security for RNUs shall be established by the costs for such Network Upgrades assigned to the Interconnection Customer in the final system impact and facilities study report. For such Interconnection Customers choosing Full Capacity or Partial Capacity Deliverability status, the maximum value of LDNUs shall be established by the lesser of the costs for such Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study or the final Phase II Interconnection Study.

The Interconnection Customer’s Maximum Cost Responsibility shall be subject to further adjustment based on the results of the annual reassessment process, as set forth in Section 7.4.

(b) ADNUs. Interconnection Customers selecting Option (A) do not post Interconnection Financial Security for ADNUs. The Current Cost Responsibility provided in the Phase I Interconnection Studies establishes the basis for the initial Interconnection Financial Security posting under Section 11.2. For Interconnection Customers selecting Option (B), the Phase II Interconnection Studies shall refresh the Current Cost Responsibility for ADNUs and shall provide the basis for second and third Interconnection Financial Postings as specified in Section 11.

The ADNU cost estimates provided in any study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for ADNUs. However, subsequent to the Interconnection Customer’s receipt of its Phase II Interconnection Study report, an Interconnection Customer having selected Option (B) may have its ADNU adjusted in the reassessment process undertaken under Section 7.4.

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### 11.2.3 Posting Amount for Network Upgrades.

#### 11.2.3.1 Small Generator Interconnection Customers

Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for assigned RNUs.

The posting amount for such RNUs shall equal the lesser of fifteen percent (15%) of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades or (ii) $20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, but in no event less than $50,000.

2) Interconnection Customers selecting Option (A) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs and LDNUs.

The posting amount for such RNUs and LDNUs shall equal the lesser of fifteen percent (15%) of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades or (ii) $20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, but in no event less than $50,000.

3) Interconnection Customers selecting Option (B) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs, LDNUs, and ADNUs.

The posting amount for such RNUs, LDNUs and ADNUs shall equal the lesser of fifteen percent (15%) of the ADNU costs and total Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades or (ii) $20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, but in no event less than $50,000.

#### 11.2.3.2 Large Generator Interconnection Customers

Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for assigned RNUs.

The posting amount for such RNUs shall equal the lesser of (i) fifteen percent (15%) of the total RNU Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) $20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) $7,500,000, but in no event less than $500,000.

In addition, if an Interconnection Customer switches its status from Full Capacity Deliverability Status or Partial Capacity Deliverability Status to Energy-Only Deliverability Status within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be additionally capped at an amount no greater than the Current Cost Responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

2) Interconnection Customers selecting Option (A) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs and LDNUs.

The posting amount for such RNUs and LDNUs shall equal the lesser of (i) fifteen percent (15%) of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) $20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) $7,500,000, but in no event less than $500,000.

3) Interconnection Customers selecting Option (B) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs, LDNUs and ADNUs.

The posting amount for such RNUs, LDNUs and ADNUs shall equal the lesser of (i) fifteen percent (15%) of the ADNU costs and the total Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) $20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) $7,500,000, but in no event less than $500,000.

### 11.2.4 Posting Amount for Participating TO Interconnection Facilities.

#### 11.2.4.1 Small Generator Interconnection Customers

Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO’s Interconnection Facilities or (ii) $20,000 per megawatt of electrical output of the Small Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, but in no event less than $50,000.

#### 11.2.4.2 Large Generator Interconnection Customers

Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO’s Interconnection Facilities, (ii) $20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) $7,500,000, but in no event less than $500,000.

### 11.2.5 Cost Estimates Less than Minimum Posting Amounts.

If (1) the Current Cost Responsibility of the Assigned Network Upgrades, (2) the allocated costs of the Participating TO Interconnection Facilities, or (3) both are less than the respective minimum posting amounts that would apply under Sections 11.2.4.1 or 11.2.4.2, then the posting amount required will equal the Current Cost Responsibility of the Assigned Network Upgrades or the allocated costs for Participating TO Interconnection Facilities, as applicable.

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## 11.3 Interconnection Financial Security-Second and Third Postings for Queue Cluster Customers and Initial and Second Postings for Independent Study Process Customers

### 11.3.1 Second Posting for Queue Cluster Customers; Initial Posting for Independent Study Process Customers

**11.3.1.1** Each Interconnection Customer in a Queue Cluster shall make second postings, with notice to the CAISO, of two separate Interconnection Financial Security instruments: (i) a second posting relating to the Network Upgrades; and (ii) a second posting relating to the Participating TO’s Interconnection Facilities. The Current Cost Responsibility for calculating the second and third Interconnection Financial Security postings for Interconnection Customers in Queue Clusters shall be set forth in the Phase II Interconnection Study report.

Each Interconnection Customer in the Independent Study Process shall make initial postings, with notice to the CAISO, of two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Participating TO’s Interconnection Facilities. The Current Cost Responsibility for calculating the initial Interconnection Financial Security Posting shall be set forth in the System Impact and Facilities Study report.

#### 11.3.1.2 Timing of Posting

The postings set forth in this Section for Interconnection Customers in a Queue Cluster shall be made any time after issuance of the final Phase II Interconnection Study report but no later than one hundred eighty (180) calendar days after issuance of the final Phase II Interconnection Study report.

The initial postings for Interconnection Customers in the Independent Study Process shall be made any time after the issuance of the final System Impact and Facilities Study report under the Independent Study Process but no later than one hundred twenty (120) calendar days after the CAISO provides the results of the System Impact and Facilities Study.

Revised Cluster Study Reports. If the CAISO revises a final Phase II Interconnection Study report pursuant to Section 6.8, the second postings will be due by the later of one hundred-eighty (180) calendar days after issuance of the original final Phase II Interconnection Study report or sixty (60) calendar days after issuance of the revised final Phase II Interconnection Study report.

Revised Independent Study Track Reports. If the CAISO revises the final System Impact and Facilities Study report pursuant to Section 6.8, the initial postings will be due by the later of one hundred-twenty (120) calendar days after the issuance of the original final System Impact and Facilities Study report or thirty (30) calendar days from the issuance of the revised System Impact and Facilities Study report.

#### 11.3.1.3 Posting Requirements and Timing for Parked Option (A) Generating Facilities

For an Interconnection Customer choosing Option (A) whose Generating Facility was not allocated TP Deliverability in either the first TP Deliverability allocation following its receipt of the final Phase II Interconnection Study or the TP Deliverability allocation after parking, and who chooses to park the Interconnection Request, the posting due date will be extended by 12 months consistent with each parking election after the initial allocation process.

For an Interconnection Customer choosing Option (A) whose Generating Facility was allocated TP Deliverability for less than the full amount of its Interconnection Request, and who chooses to seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle, the postings for RNU, Participating TO Interconnection Facilities and for LDNUs corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified in this Section 11. The posting due date for the LDNUs corresponding to the remainder of the requested Deliverability will be extended by 12 months consistent with each parking election after the initial allocation process.

#### 11.3.1.4 Network Upgrade Posting Amounts

##### 11.3.1.4.1 Small Generator Interconnection Customers

Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster or an Interconnection Customer for a Small Generating Facility in the Independent Study Process shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) $1 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs in either the final Phase II Interconnection Study report, or for Independent Study Process Interconnection Customers, the system impact and facilities study. In no event shall the total amount posted be less than $100,000.

2) For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) $1 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study.

However, in no event shall the total amount posted be less than $100,000.

3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) $1 million or (ii) the sum of:

(a) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study; plus

(b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for ADNUs in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer’s Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for ADNUs will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is for the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will equal zero (0). If the allocation of TP Deliverability is less than the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will be reduced pro rata.

However, in no event shall the total amount posted be less than $100,000.

##### 11.3.1.4.2 Large Generator Interconnection Customers

Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster and each Interconnection Customer for a Large Generating Facility in the Independent Study Process shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) $15 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs in the, final Phase II Interconnection Study, system impact and facilities study. In no event shall the total amount posted be less than $500,000.

2) For Interconnection Customers, who have Option (A) Generating Facilities the lesser of (i) $15 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study.

However, in no event shall the total amount posted be less than $500,000.

3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) $15 million or (ii) the sum of:

(a) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study; plus

(b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for ADNUs in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer’s Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for ADNUs will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is for the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will equal zero (0). If the allocation of TP Deliverability is less than the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will be reduced pro rata.

However, in no event shall the total amount posted be less than $500,000.

##### 11.3.1.4.3 Cost Estimates Less than Minimum Posting Amounts.

If the Current Cost Responsibility of the Assigned Network Upgrades are less than the posting amounts set forth in Section 11.3.1.4 above, then posting amount required will be equal to the Current Cost Responsibility of the Assigned Network Upgrades.

##### 11.3.1.4.4 Posting Related to Interconnection Customer’s Stand Alone Network Upgrades

If the Interconnection Customer desires to self-build Stand Alone Network Upgrades consistent with its interconnection study reports, the Interconnection Customer must post the Interconnection Financial Security for the Stand Alone Network Upgrades in its Interconnection Financial Security posting. The Interconnection Customer may request to build the Stand Alone Network Upgrades in the Generator Interconnection Agreement negotiation process, and if the Participating TO and the CAISO agree, the interconnection study reports and the second posting will be revised accordingly once the Generator Interconnection Agreement has been fully executed and documents the Stand Alone Network Upgrades. If the Participating TO and the CAISO agree to allow the Interconnection Customer to build a Stand Alone Network Upgrade in an executed Generator Interconnection Agreement, the Interconnection Customer’s Maximum Cost Responsibility and Maximum Cost Exposure will be reduced by the cost of the Stand Alone Network Upgrade, and both the original and revised Maximum Cost Responsibility and Maximum Cost Exposure will be documented in the Generation Interconnection Agreement.

If at any time the responsibility for constructing the Stand Alone Network Upgrade, or a portion thereof, reverts to the Participating TO, the Interconnection Customer will be required to revise its Interconnection Financial Security posting within thirty (30) calendar days to reflect that the Participating TO will build the Stand Alone Network Upgrade. The Interconnection Customer’s Maximum Cost Responsibility and Maximum Cost Exposure also will be revised to reflect that the Participating TO will build the Stand Alone Network Upgrade. Failure to make a timely posting adjustment will result in the withdrawal of the Interconnection Request in accordance with Section 3.8. If an Interconnection Customer has been allowed to reduce its Interconnection Financial Security posting following the execution of its Generator Interconnection Agreement and subsequently withdraws, the amount of the Interconnection Financial Security that is determined to be refundable under Section 11.4.2 will be reduced by the amount of the Interconnection Financial Security posting the Interconnection Customer avoided through the self-build option.

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### 11.3.2 Third Posting for Queue Cluster Customers and Second Posting for Independent Study Process Customers

After the second posting for a Queue Cluster has been made but no later than the start of Construction Activities for Network Upgrades or Participating TO’s Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.

After the first posting for Independent Study Process Customers has been made but no later than the start of Construction Activities for Network Upgrades or Participating TO’s Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.

#### 11.3.2.1 Network Upgrades

With respect to the Interconnection Financial Security Instrument for Network Upgrades, the Interconnection Customer shall modify this Instrument so that it equals one hundred (100) percent of the assigned ADNU costs and the Current Cost Responsibility assigned to the Interconnection Customer as determined in Section 11.3.1.4.1 for Small Generator Interconnection Customers or in Section 11.3.1.4.2 for Large Generator Interconnection Customers.

An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the applicable Participating TO(s) construct an LDNU or ADNU is not required to make this posting for its cost responsibilities for such LDNU or ADNU. However, such Interconnection Customer will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the LDNU or ADNU pursuant to Section 24.4.6.1 of the CAISO Tariff. An Interconnection Customer’s election to have a party other than an applicable Participating TO construct an LDNU or ADNU does not relieve the Interconnection Customer of the responsibility to fund or construct such LDNU or ADNU. Upon the Interconnection Customer’s demonstration to the CAISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the LDNU or ADNU described here, the Interconnection Customer’s prior posting for these facilities will be returned to the Interconnection Customer, unless the Participating TO and Interconnection Customer agree to an alternative arrangement.

#### 11.3.2.2 Participating TO Interconnection Facilities

With respect to the Interconnection Financial Security Instrument for Participating TO Interconnection Facilities, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Participating TO Interconnection Facilities in the final Phase II Interconnection Study for Interconnection Customers in a Queue Cluster, or the final system impact and facilities study for Interconnection Customers in the Independent Study Process.

#### 11.3.2.3 Separation of Posting

If an Interconnection Customer’s Network Upgrades and/or Interconnection Facilities are separated into two or more specific components and/or can be separated into two or more separate and discrete phases of construction and the Participating TO is able to identify and separate the costs of the identified discrete components and/or phases of construction, then the Participating TO, the CAISO, and the Interconnection Customer may negotiate, as part of the Generator Interconnection Agreement, a division of the Interconnection Financial Security posting required by this Section 11.3.2 into discrete Interconnection Financial Security amounts and may establish discrete milestone dates (however, outside dates must be included) for posting the amounts corresponding to each component and/or phase of construction related to the Network Upgrades and/or Interconnection Facilities described in the Generator Interconnection Agreement.

#### 11.3.2.4 Failure to Post

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section shall constitute grounds for termination of the GIA pursuant to LGIA Article 2.3 or SGIA Article 3.3, whichever is applicable.

#### 11.3.2.5 Conversion of Conditionally Assigned Network Upgrades

If at any time an Interconnection Customer’s Interconnection Studies are revised to reflect that Conditionally Assigned Network Upgrades have become Assigned Network Upgrades, the Interconnection Customer’s Maximum Cost Responsibility, Current Cost Responsibility, Generator Interconnection Agreement, and Interconnection Financial Security will be revised to reflect the conversion, as applicable.

…

# Section 14 PTOs Interconnection Facilities and Network Upgrades

…

## 14.3 Network Upgrades

With the exception of LDNUs and ADNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the applicable Participating TO(s). Interconnection Customers may, at their discretion, select parties other than the applicable PTOs to construct certain LDNUs and ADNUs required by their Option (B) Generating Facilities that are not allocated TP Deliverability, if such LDNUs and ADNUs are eligible for construction by parties other than the applicable PTO pursuant to Section 24.5.2 of the CAISO Tariff. Such ADNUs and LDNUs will be incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1, and 36.11. Unless the Interconnection Customer elects construction by a party other than the applicable Participating TO, the applicable Participating TO(s) will be obligated to construct the LDNUs and ADNUs This Section shall not apply to an Interconnection Customer’s right to build Stand Alone Network Upgrade(s) in accordance with the LGIA.

### 14.3.1 Initial Funding

Assigned Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer’s election, up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to each Interconnection Customer(s). Current Cost Responsibility may be adjusted consistent with this GIDAP and up to the Interconnection Customer’s Maximum Cost Responsibility, but the applicable Participating TO(s) shall be responsible for funding any capital costs for the Assigned Network Upgrades that exceed the Current Cost Responsibility assigned to the Interconnection Customer(s).

(a) Where the funding responsibility for any RNUs and LDNUs has been assigned to a single Interconnection Customer, the applicable Participating TO(s) shall invoice the Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to each Interconnection Customer(s) for the RNUs or LDNUs, respectively.

(b) Where the funding responsibility for an RNU has been assigned to more than one Interconnection Customer in accordance with this GIDAP, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such RNU in accordance with their respective Current Cost Responsibilities. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to that Interconnection Customer.

(c) Where the funding responsibility for an LDNU has been assigned to more than one Interconnection Customer, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such LDNUs based on their respective Current Cost Responsibilities. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to that Interconnection Customer.

(d) Where the funding responsibility for an ADNU being constructed by one or more Participating TO has been assigned to more than one Option (B) Interconnection Customer, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such ADNUs based on their respective Current Cost Responsibilities.

Any permissible extension of the Commercial Operation Date of a Generating Facility will not alter the Interconnection Customer’s obligation to finance its Assigned Network Upgrades where the Network Upgrades are required to meet the earlier Commercial Operation Date(s) of other Generating Facilities that have also been assigned cost responsibility for the Network Upgrades.

### 14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security

#### 14.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 5 or earlier, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to a repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades commencing upon the Commercial Operation Date of its Generating Facility.

An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 6 or later, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered an Interconnection Agreement before December 19, 2014, shall be entitled to repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Section 14.3.2.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

(1) For RNUs, in accordance with the Interconnection Customer’s cost responsibility assigned up to a maximum of $60,000 per MW of generating capacity as specified in the GIA. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this GIDAP. Interconnection Customers will be entitled to repayment subject to the figure corresponding to their Commercial Operation Date.

(2) For LDNUs, except for LDNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer’s Current Cost Responsibility.

(3) Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for LDNUs or ADNUs.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

For Network Upgrades the Interconnection Customer funded but did not receive repayment, the Interconnection Customer will be eligible to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with CAISO Tariff Section 36.11 associated with those Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.

#### 14.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades for that completed phase in accordance with the Interconnection Customer’s Current Cost Responsibility assigned for the phase and subject to the limitations specified in Section 14.3.2.1, if the following conditions are satisfied as described below:

(a) The Generating Facility is capable of being constructed in phases;

(b) The Generating Facility is specified in the GIA as being constructed in phases;

(c) The completed phase corresponds to one of the phases specified in the GIA;

(d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA;

(e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA;

(f) The Network Upgrades necessary for the completed phase to meet the desired level of Deliverability are in service; and

(g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Interconnection Financial Security instruments to the date of commencement of repayment).

…

## 14.4 Special Provisions for Affected Systems, Other Affected PTOs

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected Participating TO(s), as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected Participating TO(s) as well as the repayment by the owner of the Affected System and/or other affected Participating TO(s). If the affected entity is another Participating TO, the initial form of agreement will be the GIA, as appropriately modified.

Any repayment by the owner of the Affected System shall be in accordance with FERC Order No. 2003-B (109 FERC ¶ 61,287).

## 14.4.1 Cost Allocation, Interconnection Financial Security, and Reimbursement for Multiple Participating TOs

Interconnection Studies will list separate cost estimates for facilities and Network Upgrades required on the interconnecting Participating TO and affected Participating TO’s systems. These separate sums will produce a single, combined Maximum Cost Responsibility and a single, combined Maximum Cost Exposure for the Interconnection Customer. Current Cost Responsibilities for each Participating TO’s facilities and Network Upgrades may be adjusted up to the Interconnection Customer’s Maximum Cost Responsibility and Maximum Cost Exposure, as applicable.

The Interconnection Customer will post its initial and second Interconnection Financial Security to the interconnecting Participating TO only, for the facilities and Network Upgrades on both the interconnecting and affected Participating TOs’ systems. The Interconnection Customer will post its third Interconnection Financial Security to each Participating TO based on the separate Current Cost Responsibilities for facilities and Network Upgrades on their respective systems.

Each Participating TO will repay amounts received for Network Upgrades pursuant to this GIDAP. Reimbursement for Reliability Network Upgrades will be paid by each Participating TO but subject to a single, combined maximum based upon the Interconnection Customer’s generating capacity, as described in Section 14.3.2. If the amount funded for the Reliability Network Upgrades exceeds this maximum, each Participating TO will repay the Interconnection Customer proportional to its share of the Interconnection Customer’s Current Cost Responsibility for the Reliability Network Upgrades.

**Appendix EE[[1]](#footnote-2)**

**Large Generator Interconnection Agreement**

**for Interconnection Requests Processed under the Generator Interconnection and Deliverability Allocation Procedures (Appendix DD of the CAISO Tariff)**

**LARGE GENERATOR INTERCONNECTION AGREEMENT**

**[INTERCONNECTION CUSTOMER]**

**[PARTICIPATING TO]**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**THIS LARGE GENERATOR INTERCONNECTION AGREEMENT** (“LGIA”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_, by and among \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_\_\_\_\_ ("Interconnection Customer" with a Large Generating Facility), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a corporation organized and existing under the laws of the State of California (“**Participating TO**”), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California (“CAISO”). Interconnection Customer, Participating TO, and CAISO each may be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

**WHEREAS,** CAISO exercises Operational Control over the CAISO Controlled Grid; and

**WHEREAS,** the Participating TO owns, operates, and maintains the Participating TO’s Transmission System; and

**WHEREAS,** Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this LGIA; and

**WHEREAS,** Interconnection Customer, Participating TO, and CAISO have agreed to enter into this LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO’s Transmission System;

**NOW, THEREFORE,** in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

**Article 1. Definitions**

**…**

**Assigned Network Upgrade (ANU)** shall mean Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades..

**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.

**…**

**Conditionally Assigned Network Upgrade (CANU)** shall mean Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

**…**

**Current Cost Responsibility (CCR)** shall mean the Interconnection Customer’s current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer’s Interconnection Financial Security requirement.

**…**

**Interconnection Reliability Network Upgrades (IRNU)** shall mean Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

**…**

**General Reliability Network Upgrade (GRNU)** shall mean Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

**Maximum Cost Exposure (MCE)** shall mean, pursuant to Appendix DD, the sum of (1) the Interconnection Customer’s Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Phase I or Phase II Interconnection Study. The Phase II Interconnection Study establishes the final Maximum Cost Exposure.

**Maximum Cost Responsibility (MCR)** shall mean, pursuant to Appendix DD, the lower sum of the Interconnection Customer’s (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Phase I or Phase II Interconnection Studies, not to exceed the Maximum Cost Exposure.

**…**

**Precursor Network Upgrades (PNU)** shall mean Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

**…**

**Reliability Network Upgrades** **(RNU)** shall mean the 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), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management, Operating Procedures, or Special Protection Systems based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility’s interconnection may have on a path’s WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

…

**Article 11. Performance Obligation**

**11.1 Interconnection Customer’s Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer’s Interconnection Facilities described in Appendix A at its sole expense.

**11.2 Participating TO’s Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO’s Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO’s Interconnection Facilities, they shall be solely funded by the Interconnection Customer.

**11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, except for Stand Alone Network Upgrades, which will be constructed, and if agreed to by the Parties owned by the Interconnection Customer, and Merchant Network Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Network Upgrades shall be funded by the Interconnection Customer, which for Interconnection Customers processed under Section 6 of the GIDAP (in Queue Clusters) shall be in an amount determined pursuant to the methodology set forth in Section 6.3 of the GIDAP. This specific amount is set forth in Appendix G to this LGIA. For costs associated with Area Delivery Network Upgrades, any amounts set forth in Appendix G will be advisory estimates only, and will not operate to establishing any cap or Maximum Cost Exposure on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades.

**11.4 Transmission Credits.** No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 11.4.1.

**11.4.1 Repayment of Amounts Advanced for Network Upgrades.**

**11.4.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities**

An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 5 or earlier, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to a repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades commencing upon the Commercial Operation Date of its Generating Facility.

An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 6 or later, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered an Interconnection Agreement before December 19, 2014, shall be entitled to repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer’s contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 11.4.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

(a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer’s for Reliability Network Upgrades as set forth in Appendix G, up to a maximum amount established in Section 14.3.2.1 of the GIDAP. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer’s Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of Interconnection Customer’s Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

…

(e) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, Interconnection Financial Security, and repayment will be conducted pursuant to Section 14.4.1 of the GIDAP, and set forth in Appendix G.

**Appendix U**

**Standard Large Generator Interconnection Procedures**

**3.3.3.3** **Deliverability Transfers.** Interconnection Customers may transfer Deliverability pursuant to Section 8.9.9 of Appendix DD to the CAISO Tariff.

**Appendix Y**

**Generator Interconnection Procedures**

**4.6.1 Deliverability Transfers**

Interconnection Customers may transfer Deliverability pursuant to Section 8.9.9 of Appendix DD to the CAISO Tariff.

1. Matching revisions will be made to Appendix FF. [↑](#footnote-ref-2)