

 <b>California ISO</b>	<b>Market and Infrastructure Policy</b>	<b>Template Version:</b>	<b>1</b>
		<b>Document Version:</b>	<b>0</b>
<b>Policy Initiatives Catalog Submission Form</b>		<b>Date Created:</b>	<b>6/1/2017</b>

**California ISO Policy Initiatives Catalog Submission Form**

This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager

**Date:** 7/2/2019

**Submitter Information**

Organization	Contact Name	E-mail	Phone
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**Please provide a title for the issue.**

RNU Reimbursement and Forfeitures

**Please provide a summary description of the issue (i.e. 500 words)**

Increasingly, renewable generation projects needed to support California’s RPS and GHG reduction goals are triggering and paying for large transmission facility upgrades that leave room for later interconnection customers to take advantage of the new facilities. First Solar suggests that the CAISO start an initiative to evaluate changes to the reimbursement and cost recovery mechanisms where an interconnection customer has funded a significant upgrade, such as paying for a new switchyard, and later queued customers are able to take advantage of the value. Where the reimbursement cap would currently limit cost recovery, we believe the policy favors a revision to reflect the value towards furthering California policy goals and the benefit conferred on later interconnection customers. The revision should allow for cost recovery beyond the current cost cap for RNUs that are “oversized” and leave room for later interconnection customers to benefit from the paying interconnection customer’s investment.

Related to this, First Solar has observed that elements previously categorized as delivery network upgrades are now being shifted over to reliability network upgrades and creating cost pressure on the cap. How different elements are categorized have a material effect on the calculation of costs between fully reimbursable costs and capped reimbursements and should be included in the scope of the RNU reimbursement initiative.

Finally, the initiative should also be scoped to cover the use of funds forfeited when interconnection customers withdraw. These funds should be put towards investing in network upgrades. One possibility may be funding a draw-down account for contingent upgrades to reduce the commercial impact of these potential upgrades on interconnection customers.

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**Please provide any data/information available that would characterize the importance or magnitude of the issue.**