COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION ON PROPOSED TARIFF CHANGES FOR 2018 INTERCONNECTION PROCESS ENHANCEMENT (IPE) INITIATIVE, TRACKS 1-2

The Large-scale Solar Association (LSA) appreciates the opportunity to review and comment on the CAISO's posted draft tariff language for the 2018 IPE initiative. Generally, the posted tariff changes accurately reflect the CAISO's proposals as adopted by the Board, and only minor changes or clarifications are needed.

LSA recommends that the CAISO consider four other types of changes:

- **Areas where the CAISO proposals were unclear or incomplete.** These proposed revisions fill in missing details and make related suggestions.
- **Transitional issues not addressed in the main proposals.** These proposed revisions address the CAISO's commitment to not make retroactive changes to projects that are either past the cluster study process or in other advanced development states; one example is treatment of projects that have already executed Balance-Sheet Financing (BSF) affidavits in earlier Transmission Plan (TP) Deliverability allocation cycles or projects that must exit parking status under the new rules.
- **One area where the CAISO proposal contains a punitive provision not included in the Revised Straw Proposal** – specifically, financial-security forfeits by projects electing the new TPD Allocation Group 3 and later withdrawing from the queue.
- **Retention of clarifying statements** that are helpful to stakeholders.

The remainder of this document discussed selected proposed revisions of most concern to LSA. These proposed revisions are also reflected in the attached tariff-language mark-up.

Areas where CAISO proposals were unclear or incomplete

- **Limited exceptions to technology change prohibition for projects past the 7/10-year tariff development deadline (6.7.2.4).** The CAISO should add the exceptions described below.
  - Technology updates: The Straw Proposal stated that limited exceptions would be made to the technology change prohibition, at p. 61:

    > "The CAISO also recognizes the need for a limited exception to this policy that allows customers with projects that have not yet declared commercial operation to retain their fuel type and update their technology to the best available (e.g., a change to the number, type, or manufacturer for project inverters.)"

    This exception was supported in stakeholder comments, but it was neither included nor rescinded in the Revised Straw Proposal.

  - Additions of energy storage: As discussed at the September 5th Board meeting, the CAISO added an exception for additions of energy storage, as long as the original project fuel type and capacity are materially maintained.

- **Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue (6.7.4):** The CAISO should consider this proposal to require CVC compliance for any modification (no matter how small or inconsequential) of projects beyond the 7-year tariff development deadline. The CAISO should consider moving this proposal to Track 3, because:

  - This proposal was missing from the comment template for the Revised Straw Proposal and not discussed at the associated stakeholder meeting – probably why the CAISO received no stakeholder feedback about it.
  - A CVC requirement was not mentioned in the discussions at the Board meeting about allowing storage additions to older projects.

  This proposal seems draconian, especially for trivial modifications or those designed to help the project gain a PPA (e.g., shared facilities). If retained, it should only apply to more substantial changes, not minor changes like meter locations.

Transitional issues

- **Proceeding without a Power Purchase Agreement (8.9.2.2) – Additional ability to elect TPD Allocation Group 3:** TPD Allocation Group 3 is effectively the substitution for today's Balance-Sheet Financing (BSF) affidavits. The proposal states that this election can only be made right after the Phase II Study, before the initial TPD allocation process for such projects. The conditions are stringent and meant to ensure that these projects move on a timely basis toward construction and commercial operation.

  However, there are several categories of Cluster 8 and 9 projects that might have been able to avail themselves of the BSF affidavit option that will no longer have that option once the rules change. Consistent with the CAISO's commitment to avoid retroactive changes, those projects should be allowed a one-time election to select the Group 3 substitute if they:

  - Are exiting parking status;
  - Were allocated TP Deliverability based on a shortlist position but failed to acquire a PPA; or
  - Were allocated TP Deliverability based on PPA acquisition but lost that PPA through unilateral action by the off-taker.

  In addition, projects that submitted a BSF affidavit in the past should be allowed a one-time election to convert to Allocation Group 3. This will help phase out the flawed BSF affidavit process, as is CAISO's intent throughout the currently proposed tariff revisions, and should help move those projects more quickly and surely toward commercial operation.

- **Criteria for Retaining TP Deliverability Allocation (8.9.3):** The CAISO should clarify that those receiving their TPD allocations based on BSF affidavits in the past can continue to cite those affidavits to retain those allocations going forward.

Tariff-language provision not included in the Revised Straw Proposal (8.9.2.2)

As indicated above, this proposed revision concerns the issue of financial-security forfeits by projects electing the new TP Deliverability Allocation Group 3. The draft tariff language contains a statement that Group 3 project that receive a TP Deliverability allocation but later withdraw from the queue "may not recover any portion of Interconnection Financial Security." However, the Revised Straw Proposal description of Group 3 (at p.15) contains no such proposal; thus, it was not discussed with stakeholder or approved by the Board, so this statement should be deleted.