

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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The straw proposal posted on May 9, 2018 and the presentation discussed during the May 21, 2018 stakeholder meeting can be found on the CAISO webpage at the following link:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/InterconnectionProcessEnhancements.aspx>

Please use this template to provide your written comments on the Issue Paper topics listed below and any additional comments you wish to provide. The numbering is based on the sections in the Issue Paper for convenience.

4. Deliverability

4.1 Transmission Plan Deliverability Allocation

LS Power has the following comments on this Section of CAISO proposal:

Deliverability Allocation Group 1 – CAISO proposes to include projects in this group that are being developed by a LSE where that LSE has received regulatory authority to construct the project. LS Power proposes that CAISO clarify that “regulatory authority to construct” means that the LSE’s project that is in response to a state policy mandate has received a final approval to construct the project and it’s not only a project that is being considered by that LSE (i.e. shortlisted). LSE owned projects are required to be competitive as compared to all proposals LSE may have received, including Independent developer proposals. Only after the project has gone through this process and has received final approval, it should be considered as Group 1. Projects that are on the shortlist and haven’t yet received regulatory approval should be treated as Allocation Group 2 projects.

Deliverability Allocation Group 7 – If a project enters the queue as a EO project why is TPD allocation process assigning any available deliverability to it? If any deliverability is available at this allocation stage, CAISO should allocate this to projects that entered the queue as FCDS, received no allocation, converted to Energy Only but requested to be studied again for Deliverability, and have not yet achieved commercial operations. CAISO should create a new Allocation Group (Group 8) for such projects and

allocated Deliverability to these with the same retention requirements as other projects. See response 4.5 below.

4.2 Balance Sheet Financing

See our comments above on Deliverability Allocation 3 above.

4.3 Participating in the Annual Full Capacity Deliverability Option

See our comments above on Deliverability Allocation 7 above.

4.4 Change in Deliverability Status to Energy Only

4.5 Energy only Projects' Ability to Re-enter the CAISO Queue for Full Capacity

The CAISO has combined this topic with topics 4.1, 4.2, 4.3, and 9.2. CAISO states that this combined topic will seek to enhance the GIDAP in a manner that addresses all five issues under one topic to be addressed in Section 4.1.

It is unclear what CAISO's proposal is in terms of options for existing Energy Only projects to seek Full Capacity TPD allocation. CAISO states that "for all projects with an energy only status that submit a seeking TPD affidavit, CAISO will require a \$60,000 deposit to evaluate TPD availability and allocation. However, reviewing the new TPD allocation groups proposed by the CAISO, it doesn't appear that existing Energy Only projects, which have not achieved Commercial Operations, fit in any TPD allocation group. CAISO should create an option for these projects to be able to seek deliverability. CAISO's current Annual Deliverability allocation doesn't require a project to be commercial whereas this replacement proposed does. As proposed by LS Power, CAISO should create a new Allocation group under which these projects can be allocated TPD.

4.6 Options to Transfer Deliverability

LS Power recommends that CAISO should look into making the process of evaluating transfer of deliverability more transparent. Currently this process is mostly used by existing generators that either want to assign deliverability from one of their resource to another, or generators that submit a Behind The Meter expansion request and want to transfer deliverability between the existing and expanded

capacity. CAISO generally processes these requests through Material Modification or generator repowering processes. Unlike the queue cluster study process, there is usually no public information available on what repowering and/or material modification requests is CAISO reviewing. CAISO should make this information public so new entrants to the interconnection queue can be informed of impacts of these requests on TPD.

5. Energy Storage

5.2 Replacing Entire Existing Generator Facilities with Storage

6. Generator Interconnection Agreements

6.1 Suspension Notice

6.2 Affected Participating Transmission Owner

6.3 Clarify New Resource Interconnection Requirements

6.4 Ride-through Requirements for Inverter based Generation

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

7.5 Shared SANU and SANU Posting Criteria Issues

7.6 Clarification on Posting Requirements for PTOs – **Final Proposal**

7.7 Reliability Network Upgrade Reimbursement Cap

7.9 Impact of Modifications on Initial Financial Security Posting

8. Interconnection Request

8.1 Study Agreement – Final Proposal

8.4 Project Name Publication

9. Modifications

9.1 Timing of Technology Changes

9.2 Commercial Viability – PPA Path Clarification

9.3 PPA Transparency – Final Proposal

9.4 Increase Repowering and Serial Re-Study Deposit– Final Proposal

9.5 Clarify Measure for Modifications After COD – Final Proposal

9.6 Short Circuit Duty Contribution Criteria for Repower Projects

10. Additional Comments

Separation of EFC from NQC

CAISO should include EFC/NQC separation under IPE 2018. This is an important issue being considered under CAISO's FRACMOO2 initiative. LS Power supports establishment of an EFC, independent of NQC, which is a Peak deliverability product. In order to get NQC assigned a resource has to go through CAISO's generation interconnection study process under which CAISO conducts a Deliverability Study. The purpose of this study is to ensure that a resource can be delivered to the load at times when its most needed during Peak load conditions. Under today's process a resource cannot get EFC if it does not have a NQC. For new resources, especially ones located in remote areas away from load centers it's extremely difficult to get Deliverability and most times it is left with two choices, either convert to "Energy Only" or withdraw from the queue. While the NQC criteria for testing deliverability at the Peak makes sense for

resources that provide System and Local RA, using the same test for resources that can provide Flexible Capacity does not. A resource that is located in a remote area and hence not able to deliver to the load during peak condition may have no NQC but this resource may still very effectively resolve grid flexibility issues and hence should be assigned an EFC. Hence, separating the NQC from the EFC study process is an important step. CAISO recognizes the need to carve out a separate study for EFC but is not including this in scope for IPE 2018. LS Power recommends CAISO to reconsider this. CAISO should have more stakeholder discussion on this topic within IPE 2018 such that a proposal can be prepared and implemented before the 2019 Queue Cluster and 2019 Flexible Capacity procurements (for 2020). Further it should be noted that this issue doesn't only impact new generation projects that are currently in study process or will be entering the upcoming clusters, but also impact projects that currently have completed the studies. Some of these projects may not have received Full Capacity Deliverability (hence no NQC) due to transmission constraints but they may be able to receive Effective Flexible Capacity should a new methodology get developed. CAISO's FRACMOO2 initiative is also relying on this NQC/EFC separation but does not have a clear plan related to scope, timing, and implementation of this issue. We recommend CAISO come up with an implementation plan so this important issue can be addressed sooner and CAISO can access additional Flexible Capacity that may be currently locked.

LS Power thanks CAISO for the opportunity to provide these comments.