

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the 2018 IPE stakeholder initiative Revised Straw Proposal posted on July 10, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due July 31, 2018 by 5:00pm

The straw proposal posted on July 10, 2018 and the presentation discussed during the July 17, 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, 4.2, 4.3, 4.5 and 9.2 Transmission Plan Deliverability Allocation (combined topics)

a. Allocation Ranking Groups (one through seven)

PG&E supports the CAISO's Transmission Plan Deliverability (TPD) allocation proposal. PG&E appreciates the consideration put into the seven allocation ranking groups and prioritization of commercial viable projects for deliverability allocation.

b. Specific Topics:

i. Overall TPD Allocation Process

PG&E supports the CAISO's TPD allocation proposal combining topics 4.1, 4.3, 4.5 and 9.2. PG&E supports the proposal as it provides projects with commercial viability an advantage in applying for deliverability. PG&E believes this change will result in only projects with deliverability moving forward with construction—thus streamlining the project queue and preventing PG&E from investing resources on commercially unviable projects associated with generation projects or upgrades.

ii. Elimination of Balance sheet financing terminology

PG&E supports the CAISO's TPD allocation proposal to eliminate balance sheet financing (BSF) as part of the commercial viability process and to incorporate it into the TPD allocation process. PG&E hopes that the inclusion of BSF as part of the TPD allocation process will result in *only* commercially viable projects proceeding through the Interconnection Queue because projects that are not viable will not receive TPD allocation or eventually forfeit it. Additionally, by providing projects with Power Purchase Agreements (PPAs) a slightly higher prioritization than projects that plan to BSF, the CAISO further aligns itself with the project development process, which was its goal in this initiative.

iii. Elimination of Annual Full Capacity Deliverability Option

PG&E supports the CAISO's TPD allocation proposal which allows customers to apply for TPD allocation via affidavit on an annual basis. PG&E is supportive because the new process provides TPD to commercially viable projects which intend to drive towards commercial operation as opposed to providing TPD to projects which are not yet ready to progress to commercial operation.

iv. Energy only projects' ability to re-enter the CAISO Queue for Full Capacity

PG&E supports the CAISO's TPD allocation proposal allowing generation projects to apply for deliverability allocation, but utilizes seven different project statuses to prioritize TPD allocation based on the commercial viability of the applying project. PG&E supports existing energy only projects being eligible to apply, but having the lowest priority of all project types.

v. Commercial Viability Criteria (PPA Clarification)

PG&E supports the CAISO's TPD allocation proposal combining topics 4.1, 4.3, 4.5 and 9.2. Specifically, PG&E is supportive of incorporating the commercial viability criteria associated with a PPA, or BSF, into the deliverability allocation process. As a result, customers with either a PPA or that intend to finance their projects themselves are prioritized in the first two groups of allocation and will be more likely to move ahead with the implementation of projects. This will prevent PG&E from investing time and resources into projects that are not likely to proceed.

4.4 Change in Deliverability Status to Energy Only

PG&E supports the CAISO's TPD allocation proposal allowing projects the opportunity to request energy only deliverability status at any time after the Phase II study, but requiring projects (requesting energy only status) retain the cost responsibility of their Local Deliverability Network Upgrades (LDNUs). PG&E is especially supportive this reassessment to determine the effects of cost responsibility on customers.

4.6 Options to "Transfer" Deliverability

PG&E supports the CAISO's clarification(s) to an Interconnection Customer's opportunities to transfer deliverability during the repowering process, between generating units with the same Point of Interconnection (POI), between generating units on the same Interconnection Request and, transfer for behind-the-meter capacity expansion.

5. Energy Storage

5.2 Replacing Entire Existing Generator Facilities with Storage

PG&E supports the CAISO's exploration and explanation of the various facets of energy storage in section 5.2 of the Revised 2018 IPE Straw Proposal. PG&E appreciates the clarification by the CAISO that they consider anything short of 100% conversion, provided the total MW capacity at the POI does not increase and the electrical characteristics of the project are substantially unchanged.

6. Generator Interconnection Agreements

6.1 Suspension Notice

PG&E supports the CAISO's requirement to Interconnection Customers to submit the actual start date and tentative end date of their requested suspension in the suspension notice delivered to the CAISO and PTO. PG&E appreciates SCE's suggestion and the CAISO's inclusion of a provision that the Interconnection Customer must negotiate in good faith to expeditiously

revise the milestone dates of the project at the end of the suspension period. This change will allow the CAISO and PTO to confirm the suspension of the Project will not adversely affect the interconnection other Interconnection Customers.

6.2 Affected Participating Transmission Owner

PG&E supports the CAISO's proposal to separate maximum cost responsibility for each PTO in the event that another PTO is affected by the interconnection of a generation project. This change will prevent the unlikely scenario where PTOs do not track the reimbursement of generators and might unintentionally pay the Interconnection Customer above the \$60,000 / MW reimbursement cap all Generator Interconnection Deliverability Allocation Procedures (GIDAP) Interconnection Customers are limited to. PG&E appreciates the clarification that the \$60,000 MW reimbursement cap is per project and not per PTO. PG&E agrees that the current structure of a separate Generator Interconnection Agreement and Upgrade Facilities Agreement should be continued.

6.4 Ride-through Requirements for Inverter based Generation

PG&E is generally supportive of the CAISO's proposal to ensure that inverters don't cause momentary cessation during voltage excursions smaller than 1.2 p.u. PG&E would like the proposal to apply to not only new projects, but also to any projects going through the repower or post-COD modification.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

PG&E continues to have concerns associated with the protections provided by Potential Network Upgrades, but appreciates the additional definitions and clarifications provided in this Revised Straw Proposal. PG&E suggests that in the place of the execution of the Generator Interconnection Agreement (GIA) as the trigger for the removal of Potential Network Upgrades, the trigger be changed to the execution of the GIA and submission of final security postings. This suggested change prevents IOUs from beginning work on Upgrades that might not be needed due to the withdrawal of generation.

7.3 Eliminate Conditions for Partial IFS Recovery Upon Withdrawal

PG&E supports the CAISO's proposal to remove conditions for the partial recovery of financial securities. The fact that nearly all generators meet the criteria makes the process administratively burdensome for all parties without a benefit.

7.5 Shared SANU and SANU Posting Criteria Issues

PG&E supports the proposal associated with Shared SANU because it requires all projects needing a SANU to have 100% of the SANU included in their Maximum Cost Responsibility.

PG&E appreciates the protection from gaming as well as the ability to review each request by Interconnection Customers to share SANUs on a case-by-case basis.

7.7 Reliability Network Upgrade Reimbursement Cap

PG&E supports the CAISO's proposal for the Reliability Network Upgrade Reimbursement Cap that closes the loophole by which an Interconnection Customer (with projects in different clusters that need the same Network Upgrades) could get ratepayers to pay for the entire cost of the Network Upgrades, and not just the \$60,000 / MW limit on reimbursement, by withdrawing their project after IA execution. PG&E is in support of Option 1 (as described in the 2018 IPE Revised Straw Proposal) because of the simplicity of implementation. Although this option requires the 100% cost responsibility that Option 3 does not include, the simplicity of the rule would make it easy for all stakeholders to understand while also providing cost information to the Interconnection Customer in a timely fashion.

8. Interconnection Request

8.4 Project Name Publication

PG&E supports the CAISO's Project Name Publication proposal because it is driven by Interconnection Customer comments and appears to fulfill their desired outcome.

9. Modifications

9.1 Timing of Technology Changes

PG&E supports the CAISO's proposal on the Timing of Technology Changes because current tariff provisions do not provide detailed limitations on the timing or types of technology and fuel changes that Interconnection Customers are allowed. The CAISO's proposed absolute prohibition on technology changes that change fuel type for projects that have or are requesting commercial operation beyond the 7-year threshold in the tariff will prevent customers from congesting the queue by preventing project reinvention at the end of its time in queue. Additionally, the CAISO proposes to incorporate commercial viability criteria for every Material Modification Assessment (MMA) requested by a project whose milestones are beyond the 7-year threshold. This change will further limit customers from staying in the queue with projects that are not commercially viable, as they will be unable to make large scale changes to their project at the end of its queue life. PG&E is supportive of the *de minimus* addition of fuel types of no more than 5% of the MW capacity or 10MW, but by no more than twenty-five percent (25%) of the MW capacity specified in the GIA because it allows generators the ability to make changes to their facility without completely redefining the generating facility.

10. Additional Comments

No additional comments.