

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 Straw Proposal posted on May 9, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due June 4, 2018 by 5:00pm

The straw proposal posted on May 9, 2018 and the presentation discussed during the May 21, 2017 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

The Six Cities support the CAISO’s proposal to place in deliverability allocation group #1 interconnection customers that are load-serving entities with a regulatory authority to approve development of an interconnecting resource.

4.2 Balance Sheet Financing

The Six Cities do not have comments on this section of the Straw Proposal at this time.

4.3 Participating in the Annual Full Capacity Deliverability Option

The Six Cities do not have comments on this section of the Straw Proposal at this time.

4.4 Change in Deliverability Status to Energy Only

The Six Cities support the CAISO's proposal to require projects converted to energy only deliverability status to retain responsibility for the cost of DNUs. This change appears to be needed in order to address concerns identified by the CAISO related to the conversion of projects by some project developers to energy only status as a means of reducing a project's cost exposure prior to withdrawal from the interconnection queue. The approach proposed by the CAISO appears to mitigate the risk of costs being inappropriately shifted to the Participating TOs.

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

The Six Cities do not have comments on this section of the Straw Proposal at this time.

4.6 Options to Transfer Deliverability

The Six Cities do not have comments on this section of the Straw Proposal at this time.

5. Energy Storage

5.2 Replacing Entire Existing Generator Facilities with Storage

The Six Cities do not have comments on this section of the Straw Proposal at this time.

6. Generator Interconnection Agreements

6.1 Suspension Notice

The Six Cities do not have comments on this section of the Straw Proposal at this time.

6.2 Affected Participating Transmission Owner

The Six Cities do not have comments on this section of the Straw Proposal at this time.

6.3 Clarify New Resource Interconnection Requirements

The Six Cities do not have comments on this section of the Straw Proposal at this time.

6.4 Ride-through Requirements for Inverter based Generation

The Six Cities do not have comments on this section of the Straw Proposal at this time.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

The Six Cities do not have comments on this section of the Straw Proposal at this time.

7.5 Shared SANU and SANU Posting Criteria Issues

The Six Cities do not have comments on this section of the Straw Proposal at this time.

7.6 Clarification on Posting Requirements for PTOs – Final Proposal

The Six Cities do not have comments on this portion of the CAISO’s Final Proposal at this time.

7.7 Reliability Network Upgrade Reimbursement Cap

The Six Cities support the CAISO’s proposal to retain the \$60,000 cost cap for reimbursement of Reliability Network Upgrades. As the CAISO has determined, the proponents of eliminating the cap have not demonstrated that its elimination is necessary or appropriate. The Six Cities also support the CAISO’s proposal that, if a project withdraws after executing a Generator Interconnection Agreement providing for Reliability Network Upgrades with costs in excess of the \$60,000 cost cap, cost responsibility for amounts in excess of the \$60,000/MW will be assigned to subsequent cluster projects needing the upgrades, but will not be reimbursable. These costs should not become reimbursable if assigned to subsequently queued projects (even if those projects do not have Reliability Network Upgrades in excess of the cap), because the costs were not reimbursable to the original project.

7.9 Impact of Modifications on Initial Financial Security Posting

The Six Cities do not have comments on this section of the Straw Proposal at this time.

8. Interconnection Request

8.1 Study Agreement – Final Proposal

The Six Cities do not have comments on this portion of the CAISO’s Final Proposal at this time.

8.4 Project Name Publication

The Six Cities do not have comments on this section of the Straw Proposal at this time.

9. Modifications

9.1 Timing of Technology Changes

The Six Cities do not have comments on this section of the Straw Proposal at this time.

9.2 Commercial Viability – PPA Path Clarification

The Six Cities do not have comments on this section of the Straw Proposal at this time.

9.3 PPA Transparency – Final Proposal

The Six Cities do not have comments on this portion of the CAISO’s Final Proposal at this time.

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

The Six Cities do not have comments on this portion of the CAISO’s Final Proposal at this time.

9.5 Clarify Measure for Modifications After COD – Final Proposal

The Six Cities do not have comments on this portion of the CAISO’s Final Proposal at this time.

9.6 Short Circuit Duty Contribution Criteria for Repower Projects

The Six Cities do not have comments on this section of the Straw Proposal at this time.

10. Additional Comments

Section 6.6: The CAISO proposes to require, pursuant to Section 24.8 of the CAISO tariff, certain modeling data from Participating Generators. As explained by the CAISO, this data is needed for the Transmission Planning Process and may include “(1) modeling data for short-circuit and stability analysis and (2) data, such as term, and status of any environmental or land use permits or agreements the expiration of which may affect that the [sic] operation of the Generating Unit.” (See Straw Proposal at 41.) These data are similar to that required in NERC and WECC Reliability Standards, but will be requested from generators that are not presently subject to these Reliability Standards. The Six Cities understand that the CAISO will reflect the data submittal requirements in the Business Practice Manual for the Transmission Planning Process.

The Six Cities urge the CAISO, in formulating these new data reporting requirements, to work with resources to ensure that generators have adequate time to respond to any requests from the CAISO for modeling data and to ensure that the scope of and process for submittal requirements are clearly documented and communicated. If there are resources that are not currently subject to the applicable reporting requirements as a result of compliance obligations, then the CAISO may need to consider an implementation plan to the extent that the reporting requirements necessitate testing or verification activities that generators may not have recently undertaken.

Section 7.3: The Six Cities support the CAISO’s proposal to retain the current approach to allocation of non-refundable financial security.

Additionally, the Six Cities oppose the suggestion by SCE that the CAISO consider revisions to its tariff to permit recovery, by transmission building entities, of 100% of prudently-incurred costs of transmission facilities or network upgrades approved by the CAISO that are subsequently cancelled by the CAISO “through no fault of the PTO.” (See Straw Proposal at 47.) The Six Cities observe that the circumstances when 100% recovery of abandoned plant costs may be justified is a matter of FERC purview, and FERC has established criteria and procedures that would allow a transmission building entity to seek 100% abandoned plant costs as a transmission rate incentive. FERC’s standard policy, on the other hand, for non-incentive projects, is to require 50-50 sharing of abandonment costs between shareholders and ratepayers. Because this is a matter of FERC policy, including provisions in the CAISO tariff that purport to provide 100% cost recovery in the event of abandonment is not appropriate. In an order issued June 7, 2018, FERC rejected the CAISO’s argument that

authorization of a rate incentive permitting 100 percent abandoned plant recovery is appropriate when a facility has been initially proposed and approved through a process involving stakeholder input, such as

CAISO's transmission planning process, and the subsequent decision to abandon the project is under the control of another entity.

Pac. Gas and Elec. Co., 163 FERC ¶ 61,187, P 11 (2018). Finding “no merit” to this argument, FERC stated that “[a] blanket determination of this nature is contrary to the Commission’s incentives policy.” *Id.*