

SUNPOWER

September 8, 2009

Mr. Mason Willrich, Chairman, Board of Governors
Mr. Yakout Mansour, President and Chief Executive Officer
California Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630

RE: Support for Proposed Changes to Large Generator Interconnection Procedures (Sept. 11 Agenda Item #4)

Dear Sirs,

SunPower a vertically integrated photovoltaic solar energy company headquartered in California. In the US, SunPower is the largest manufacturer of residential systems, has the largest base of commercial systems and has the largest utility scale power plant operating today. SunPower has several Interconnection Requests (IR) in the queue and is diligently pursuing interconnection assessments including the review of Transition Cluster Phase I Studies. One of the IRs is for the 250 MW California Valley Solar Ranch (CVSR) project, which has a CPUC approved power purchase agreement with PG&E and currently is in the permitting process in San Luis Obispo County.

SunPower supports the recommended interconnection tariff changes proposed by CAISO Management in its memo to you dated September 2, 2009. In SunPower's August 24th comments on the original staff proposal SunPower stated that we appreciate the CAISO's responsiveness to a series of issues arising from the first Transitional Cluster Studies and we agreed with the CAISO's Market Notice which stated,

"Implementation activities, stakeholder feedback, and superseding events since September 2008 (i.e., acceleration of policies regarding the state's Renewables Portfolio Standard, significant downturn of the financial sector and the overall economy) indicate need to adjust the Large Generator Interconnection Procedures reforms to accommodate such factors while maintaining the process timelines and without disrupting the schedule and momentum of Transition Cluster activities that are clearing the backlog of requests in the interconnection queue."

SunPower supports all of Managements proposed changes including the change that would allow one-time change in deliverability status from "Energy-Only " to Full Capacity" for projects in the transition cluster. In SunPower's case, an administrative error lead to an incorrect request of "energy only" Allowing projects to move forward as Full Capacity will further the State's Resource Adequacy

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goals and--given that projects that elect Full Capacity will take on full cost responsibility for the associated network upgrades as determined in Phase 2--the Management Recommendation will not adversely affect any other party. Any project that is willing to accept more cost responsibility for Full Capacity deliverability status should be viewed by all as a strongly viable project and should be supported. SunPower also supports the proposal that reduces the initial Interconnection Financial Security (IFS) deposit to the lower of (1) 15% of Phase 1 cost, (2) \$20,000 per MW, or (3) \$7.5 million. SunPower supports this proposal as it recognizes the real-world financing constraints faced by even the most viable projects at this stage of their development.

SunPower urges a yes vote on the Motion to accept the Amendment and supports an immediate filing at the Federal Energy Regulatory Commission (FERC) for approval within the timeline before the initial Interconnection Financial Security (IFS) posting is due.

These changes will allow us to keep our CVSR project on schedule and possibly qualify for the Treasury Grants in the American Recovery and Reinvestment Act of 2009. We look forward to continuing to work with the CAISO to bring on line utility-scale solar projects in response to the California's RPS mandates and the emission reduction goals of AB32.

Respectfully,



Greg Blue
Director, Market Development
Utility and Power Plants, North America

Cc: CAISO Board of Governors
Karen Edson, Vice President of External Affairs, CAISO
Stephen Rutt, Manager of Grid Assets, CAISO