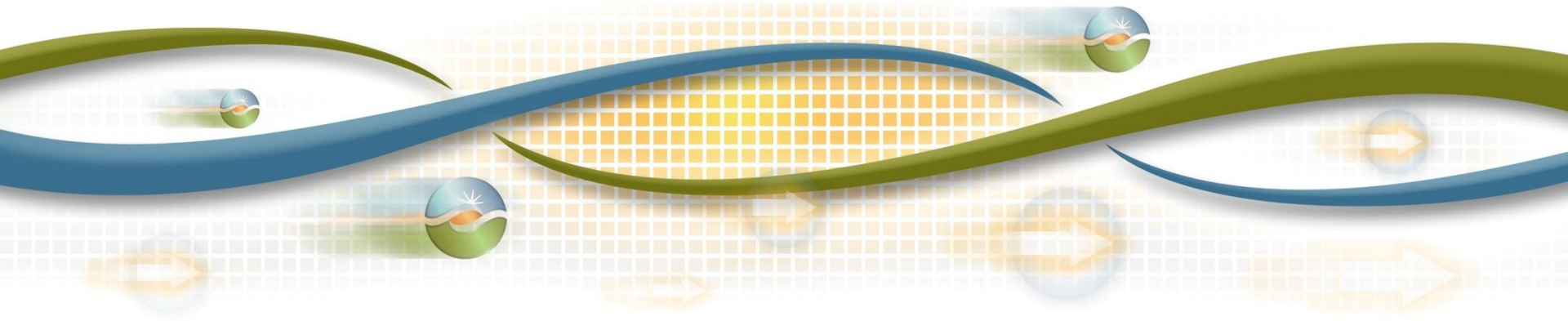


Interconnection Process Enhancements Initiative

Addendum to the Draft Final Proposal for Topics 1 and 2

Stakeholder Web Conference

October 3, 2013



Stakeholder process schedule for Topics 1 and 2

Date	Event
April 8	Posted scoping proposal (all topics)
June 3	Posted issue paper (topics 1-15)
July 18	Posted straw proposal (topics 1-5 & 13-15)
Sept 12	Posted draft final proposal (topics 1 & 2)
Sept 17	Posted presentation for 9/19/13 stakeholder web conference
Sept 18	Posted supplemental presentation
Sept 19	Held stakeholder web conference
Sept 24	Posted market notice for 10/3/13 stakeholder web conference
Sept 24	Posted addendum to 9/12/13 draft final proposal
October 3	Stakeholder web conference on 9/24/13 addendum
October 7	Stakeholder comments due on both 9/12/13 draft final proposal and 9/24/13 addendum
Nov 7-8	ISO Board (topics 1 & 2)

Addendum to the Draft Final Proposal for Topics 1 and 2

The 9/24/13 addendum proposes two modifications to the 9/12/13 draft final proposal:

1. Refinement on how to calculate a downsizing generator's share of the costs of the GIDAP reassessment study

(Same as that presented during Sept 19 stakeholder web conference)
2. True-up any reductions in posting requirements at the next posting

Downsizing study costs

- Addendum refines how to calculate a downsizing generator's share of the costs of the GIDAP reassessment study
- Same as that contained in Sept 18 supplemental presentation and as discussed during the Sept 19 stakeholder web conference
- Ensures that a downsizing project, as one of several beneficiaries of the GIDAP reassessment study, only pays its appropriate share of the study costs

Reduction in posting requirements – 1

Background

- Cost cap on downsizing generator's cost responsibility remains the lower of the Phase I or Phase II cost allocation
 - No change under the annual downsizing proposal
- If a downsizing generator's network upgrades (NUs) are eliminated or reduced in scope, a reduction in the customer's interconnection financial security posting requirements may result
 - No change under the annual downsizing proposal

Reduction in posting requirements – 2

- If through GIDAP reassessment study the NUs triggered by a non-downsizing generator are eliminated or reduced in scope and this results in a reduction in posting requirements, then such reductions will be trued-up at the next posting
- Under the annual downsizing proposal, the combined impacts of downsizing requests will be studied through this same GIDAP reassessment study, thus it would be inappropriate not to treat their reductions in posting requirements similarly

Reduction in posting requirements – 3

- Thus, ISO proposes that any reduction in posting requirements be trued up at the next posting and not result in a reduction of postings already made
- Brings this element of the annual downsizing proposal into alignment with the ISO's general existing practice of making such true-ups at the next posting

Upcoming near-term milestones

Date	Milestone
October 7	Stakeholder comments due on both the 9/12/13 draft final proposal and the 9/24/13 addendum

- Please use the revised comments template posted on September 24
- Submit to GIP@CAISO.COM no later than 5pm on Thursday, October 7