

**Generation Interconnection Procedures – Potential Revision to Cluster 4 Study Methodology**

Submitted by	Company	Date Submitted
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Agile Energy Inc. (“Agile”) submits the following comments in response to CAISO’s Potential Revision to the Cluster 4 Study Methodology. Agile is a renewable power generation developer with multiple projects in the CAISO’s Queue Cluster 3 that would be impacted by the proposed changes to Cluster 4. Therefore, Agile has a strong interest in the CAISO’s eventual decisions in this area. Under the current Generation Interconnection Process (GIP), Agile plans to post its Cluster 3 Phase I deposits the end of August. That said, with the newly proposed CAISO revisions, Agile feels it is necessary to comment on the potential impacts and implications of changing methodologies.

Agile’s comments focus on the relative treatment of Cluster 3 vs. Cluster 4 projects concerning posting of financial security, the implications of changing the rules “mid-stream,” and the relative Cluster 3 and Cluster 4 project “priority” in their joint Phase II Study. These issues are inextricably connected to the Cluster 4 Proposed Study Methodology Revision and should be addressed in the current initiative. Generally speaking, if the new Cluster 4 study methodology is adopted:

- It would be neither fair nor equitable for Cluster 3 projects to post financial security before Cluster 4 projects without any other changes, since under the proposed methodology, Phase I-to-Phase II Cluster 3 dropouts would not be taken into consideration in the Cluster 4 base case. The entire intent of posting financial securities and right-sizing project capacities is to filter the queue and provide CAISO greater accuracy for future studies.
- If the current posting schedule is maintained, any Cluster 3 postings should be fully refundable if the CAISO changes the rules (per the current TPP-GIP integration initiative) or fails to give Cluster 3 study priority (see below).
- The CAISO should revise the Phase II methodology to assign “priority” to Cluster 3 projects over Cluster 4 projects. This is fair, not only because Cluster 3 projects have a higher queue position which demonstrates an earlier firm commitment of capital, time and resources to developing a viable project, but also because the revised Cluster 4 Phase I methodology will underestimate costs assigned to Cluster 4 and likely result in fewer post-Phase I dropouts from that cluster. This will keep Cluster 4 larger than otherwise, raising the upgrades needed for the two clusters together in Phase II. Thus, the CAISO needs to assign upgrades and costs to Cluster 3 ahead of

Cluster 4 in the Phase II Studies to prevent harm to Cluster 3 projects from the new Cluster 4 study methodology.

Both of these issues are discussed further below.

#### Financial Security Postings

Agile intends to post Cluster 3 Phase 1 financial security requirements per the current Generation Interconnection Process (GIP) due late August. By doing so, Agile believes that

1. Cluster 3 projects should be given priority in the Cluster 3-4 Phase II Study ahead of those projects in Cluster 4 (*see below*).
2. If the Revised Cluster 4 Methodology or the Transmission Planning Process (TPP) or any other initiative delays the start of the Phase II Study for Cluster 3 and 4, CAISO should conduct a separate, accelerated Phase II Study for Cluster 3.
3. Cluster 3 Applicants should receive a full refund of their financial security deposits and the option to decide whether they want to continue in the new process or withdraw their application and receive due compensation for time, expense and lost returns. This right to withdraw should apply up to the due date for the Second IFS Posting.
4. When developers of Cluster 3 projects downsize their projects after Phase I to avoid expensive transmission upgrades, in addition to the financial security amount being reduced, the overall cost cap should be reduced as well per the Tariff language in Section 9.2.6, or the CAISO/PTO should not assign the cost of any of those upgrades to those Cluster 3 projects in Phase II.

#### Cluster 3 Priority as it relates to Cluster 4 Methodology

1. It is neither fair nor equitable to have Cluster 3 projects post financial securities and make critical project decisions such as right-sizing project capacity earlier than Cluster 4 and not receive any benefits from doing so. Instead, Cluster 3 projects are at a significant unjust disadvantage from a capital planning, transmission cost exposure and project risk perspective. It also impacts the overall project viability, especially if there are delays or expansion of the existing Cluster 3.
2. Cluster 3 projects, by posting security well ahead of Cluster 4 and by making firm commitments to viable projects should have serial priority ahead of Cluster 4. Such priority would allow CAISO to identify transmission upgrades and allocate and cap costs in a manner that would sequence Cluster 3 projects ahead of Cluster 4 projects without facing the possibility that Cluster 4 projects re-trigger additional upgrades and re-impose costs on Cluster 3 after those projects have posted security and/or right-sized their project capacity to avoid costly upgrades. Based upon the Phase 1 results, some Cluster 3 projects were redesigned to decrease their size to avoid costly upgrades. Agile feels that a potential re-triggering of additional upgrades driven by Cluster 4 projects is counter to the intent of the CAISO during the Cluster process. If the CAISO upholds its existing tariff, one that Agile chose to participate in in good faith, CAISO should grant

priority to Cluster 3. By sequencing the transmission upgrade costs, the CAISO can still meet its goals of streamlining the process while abiding by the original intent of its tariff without assessing undue harm on Cluster 3 participants.

Agile thanks the CAISO for the opportunity to submit these comments and looks forward to participating in the ongoing discussions.

About Agile:

Agile Energy, Inc. develops utility-scale electric power generation assets in North America, primarily deploying solar photovoltaic and concentrated PV technologies. Currently focused on projects ranging in size from 15 MW to 300 MW, the company has the ability to develop larger projects in select situations. With over 100 years of combined experience in power project development (AES, Calpine, PacifiCorp, CH2M HILL), Agile knows the power business. Backed by Good Energies, Inc., one of the world's leading private investors in renewable energy and enabling technologies, Agile Energy is emerging as one of the most reliable, determined and creative development companies in the renewable energy sector.