

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 Draft Final Proposal posted on November 13, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due December 6, 2018 by 5:00pm

(updated from December 3 during the stakeholder meeting)

The draft final proposal posted on November 13, 2018 and the presentation discussed during the November 20, 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.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

Specific Question regarding the establishment of the Maximum Cost Exposure (MCE).
Would stakeholders prefer:

- (1) the MCE remain established at the true cost exposure of a project that demonstrates the ultimate cost the project could be responsible for when taking into consideration potential system changes, without opportunity for reduction?

OR

- (2) the MCE could be adjusted downward with the MCR, but could ultimately go back up if system changes occur, similar to how the MCR can increase pursuant to Appendix DD, Section 7.4?

Avangrid Renewables appreciates the opportunity to comment on the CAISO's addendum to the draft final proposal for the 2018 IPE initiative. Avangrid supports the CAISO's proposal to provide policy clarifications and structure to the existing framework through new proposed definitions. However, as outlined further below, Avangrid opposes a number of the proposed policy changes and requests the CAISO to respond to some clarifying questions.

Specific to the question above Avangrid supports (2). The existing tariff provisions have proven to be workable and the CAISO has not adequately justified the need for a change. The CAISO mentioned gaming concerns specific to developers cancelling specific project to benefit later cluster projects and avoid upgrades. This scenario is possible but highly unlikely considering the investment developers would already make into the earlier cluster projects. Avangrid requests the CAISO provide more information specific to the magnitude of the gaming concerns identified in the interconnection process.

In the proposal and on the last conference call the CAISO states that under provisions outlined in tariff section 7.4 the MCR can increase back to a prior level after it has been reduced. It is unclear where this is specified in the existing tariff language. Section 7.4.3 (i) explicitly states that the maximum cost responsibility for an Interconnection Customer who meets eligibility criterion will be the lesser of (a) its current maximum cost responsibility and (b) 100 percent of the costs of all remaining Network Upgrades included in the Interconnection Customer's plan of service. 7.4.3ii then further states that the max MCR can only go back up to the original cost responsibility established in the IA studies. It is Avangrid's understanding that it would be extremely rare for the MCR to increase subsequent to a decrease and requests the CAISO clarify in what instances this could occur as supported by tariff section 7.4.

10. Additional Comments

The CAISO's proposal harms developers by imposing more cost uncertainty over a much longer period of time as compared to the existing policy. Under the CAISO's proposal, developers would now be subject to cost uncertainty resulting from potential Conditionally Assigned Network Upgrades (CANUs) up until prior queued projects have made a third financial posting versus when those projects execute a GIA which is the case today. Considering the lag in procurement of grid scale renewables in California, as it stands today GIAs can be delayed for years due to project parking and the third posting would prolong that uncertainty for years longer. Avangrid requests that the CAISO retain GIA execution as the applicable milestone after which a project would no longer be subject to CANUs.

In addition, and of utmost concern to Avangrid, the CAISO has not clarified the impact of this proposal to cluster projects prior to Cluster 12. Specifically, Avangrid requests the CAISO clarify the following in the next version of the proposal:

1. What would be the transitional impact of this proposal to projects in prior clusters? Although the CAISO's indicates that it is targeting Cluster 12 for the changes could a Cluster 10 project be exposed to CANUs up to the third posting under certain circumstances?
2. If this is the case how would a developer assess the potential impact of proposed CANUs on existing projects? Since CANUs are not defined under current policy it is unclear how to assess this potential impact. In addition, information on developer postings is not public so it would be impossible to identify what CANUs would not be allocated to a project.
3. How would the CAISO's recently proposed changes to deliverability allocation impact cost shifting issues?

Avangrid supports LSA's comments specific to ISNU definition and treatment and RNU reimbursement impacts of CANU-to-ANU conversion. Specific to RNU reimbursement Avangrid would also suggest that the CAISO could consider using the retained funds from the 1st, 2nd, and 3rd financial postings to offset costs. This is consistent with what PSCo is proposing in its current interconnection process reforms.

11. New Topics – Interconnection Request Acceptance and Validation Criteria

Avangrid has no comments on this section of the proposal.

11.1 Interconnection Request Acceptance

11.2 Validation Criteria