

Decision on generator interconnection and deliverability allocation procedures (GIDAP) reassessment

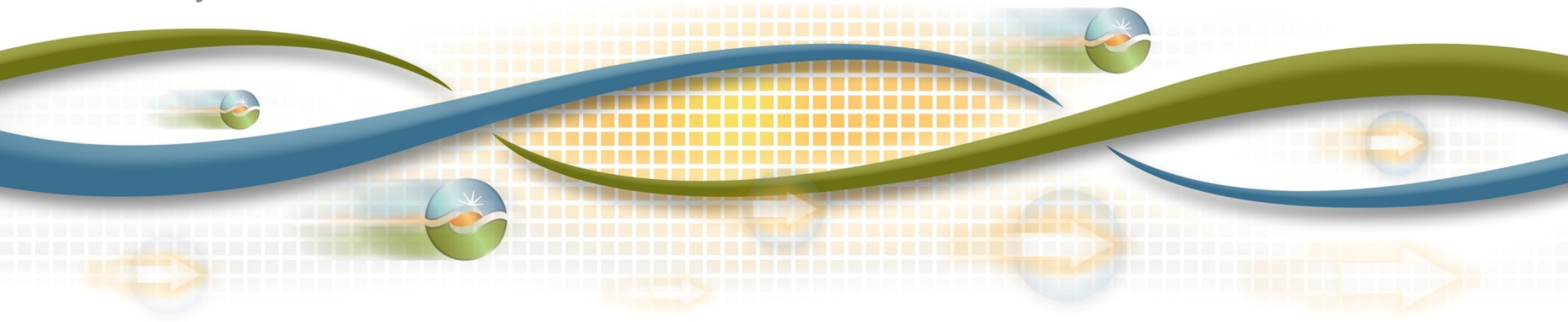
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Proposal resolves issues raised by generation developers after the first GIDAP reassessment was performed in 2013.

- Reassessment indicated that due to project withdrawals some network upgrades were no longer needed.
 - reduced cost responsibility for some interconnection customers.
- Reassessment not intended for adjustments to interconnection customers' maximum cost responsibility and security posting requirements.

The reassessment is performed annually as part of the generator interconnection study process.

- Each interconnection customer undergoes both a phase I and a phase II interconnection study.
 - Identifies needed upgrades and establishes maximum cost responsibility.
- Upgrade requirements could change after phase II study due to project withdrawals and other changes.
- Annual reassessment is performed to update the upgrade requirements and cost responsibility.
 - A customer's cost responsibility may decrease or increase as a result, but cannot exceed its cost cap.

Management is proposing limited adjustment to cost caps based on reassessment when specific conditions are met.

- Eligible for adjustment if difference between existing cost cap and revised cost responsibility is $\geq 20\%$ and $\geq \$1$ million.
- Revised cost cap is customer's share of the costs if all other customers requiring the same upgrade withdrew from the queue.
- New cost cap is the lesser of the original cap and revised cap.

Management is proposing to adjust financial security posting requirements based on reassessment.

- A change in cost responsibility resulting from reassessment will qualify a customer for a change in required posting amount.
 - May result in a reduction or an increase in required posting amount.
- Adjustments will be automatic; however, customers may opt out of downward adjustments.
- Posting amounts subject to forfeiture (if customer withdraws) will be based on estimated cost responsibility from the most recent reassessment.

Management recommends that the Board approve the proposal.

- Resolves issues raised by generation developers after first reassessment in 2013.
- Further enhances the generator interconnection process to better accommodate the needs of customers.
- Broadly supported by stakeholders.