

Decision on interconnection process enhancements

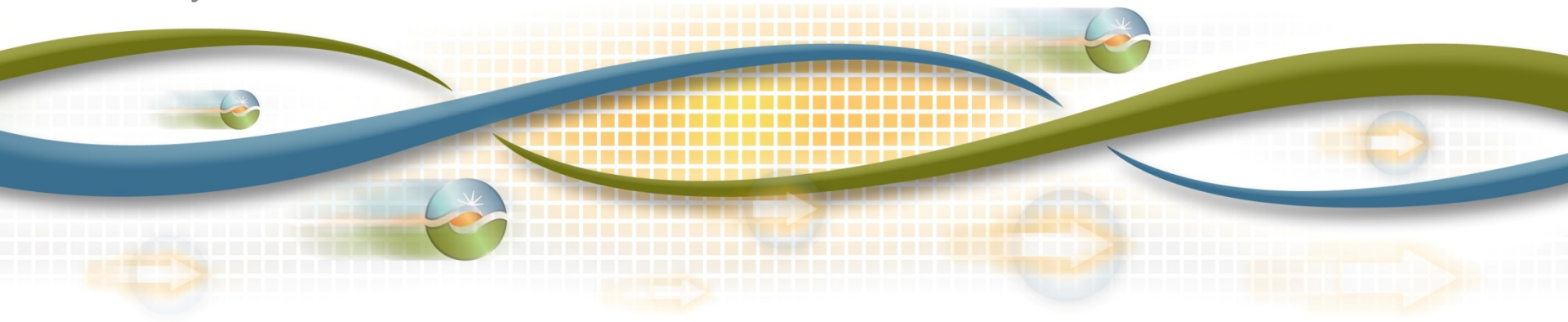
Tom Flynn

Infrastructure Policy Development Manager

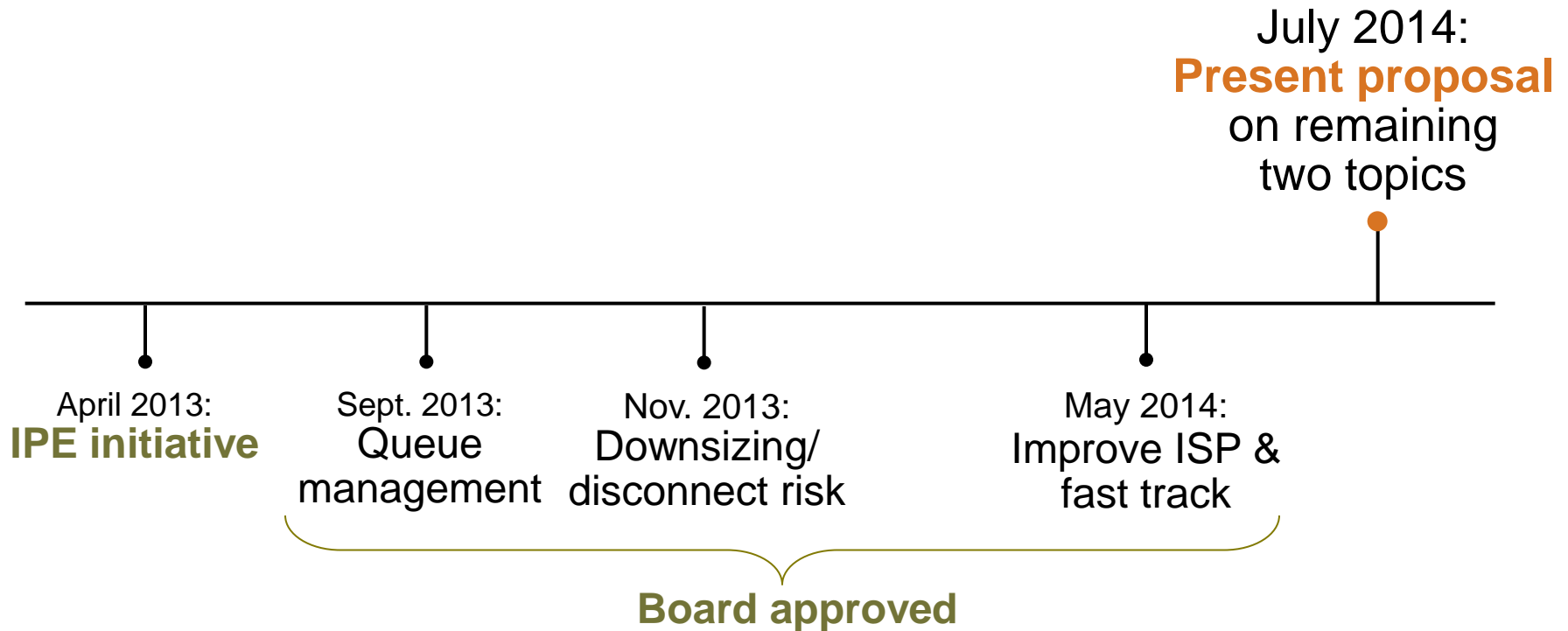
Board of Governors Meeting

General Session

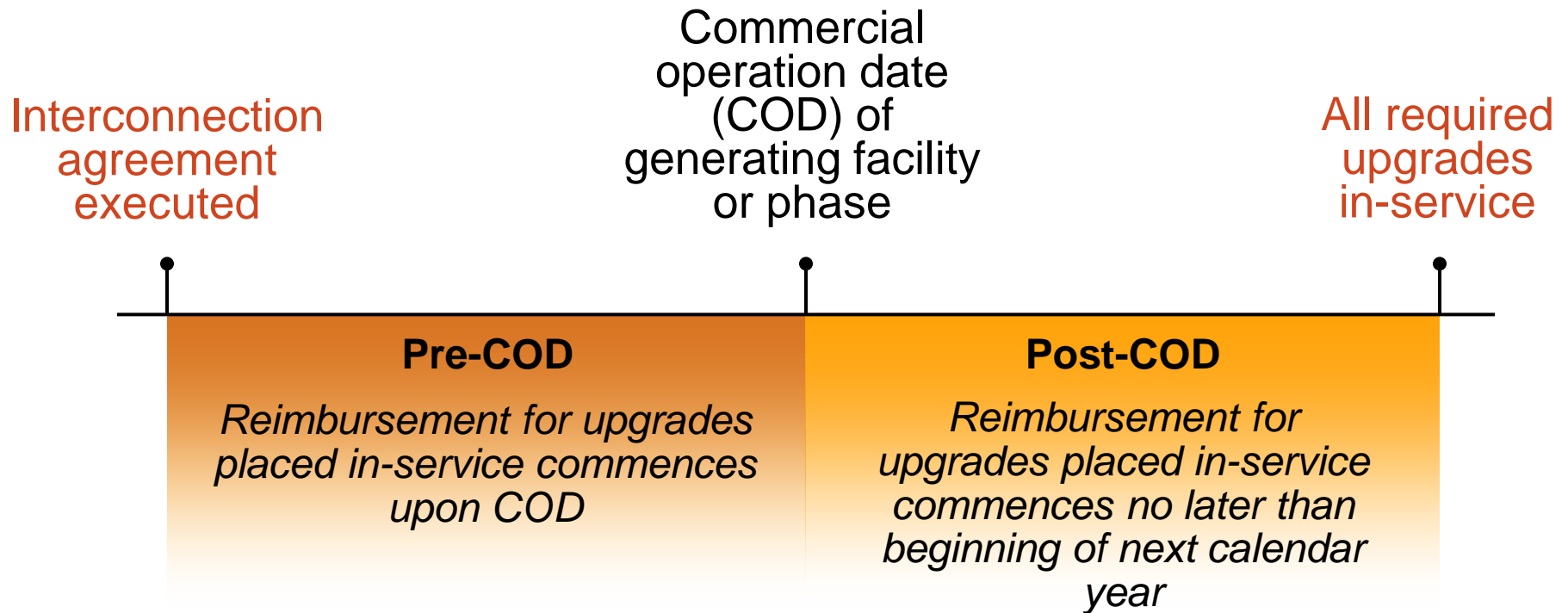
July 15-16, 2014



The interconnection process enhancements (IPE) initiative is a continuing effort to improve the generation interconnection process.



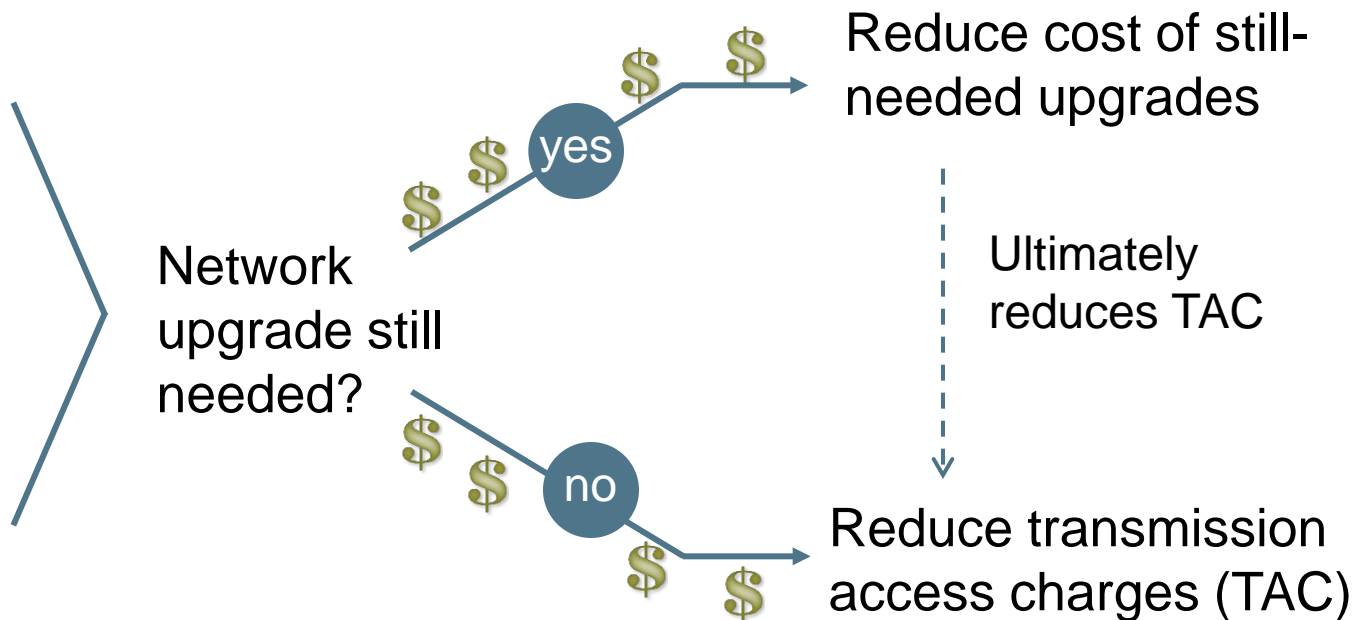
Management recommends a new approach on the timing of reimbursement to interconnection customers for the cost of required upgrades



Management also recommends a new approach for the redistribution of funds forfeited by withdrawn interconnection customers.



Funds forfeited by withdrawn customers



Stakeholders broadly support Management's proposal.

Remaining concerns expressed by some stakeholders:

- Independent Energy Producers – Customers should be reimbursed within five years of a generating facility achieving commercial operation.
 - **Management response:** reimbursement of upgrades should be based on both achievement of commercial operation and placement into service of upgrades.
- Large-Scale Solar Association and CalWEA – Forfeited funds for no longer needed upgrades should be used to reduce costs of still-needed upgrades.
 - **Management response:** no justifiable basis to decide which upgrades should receive cost reductions from such funds.

Management recommends that the Board approve the proposal.

- Addresses stakeholders' request that the current rules for the timing of transmission cost reimbursement and redistribution of forfeited funds be improved.
- Enhances the generator interconnection process to better accommodate the needs of customers.
- Broadly supported by stakeholders.