

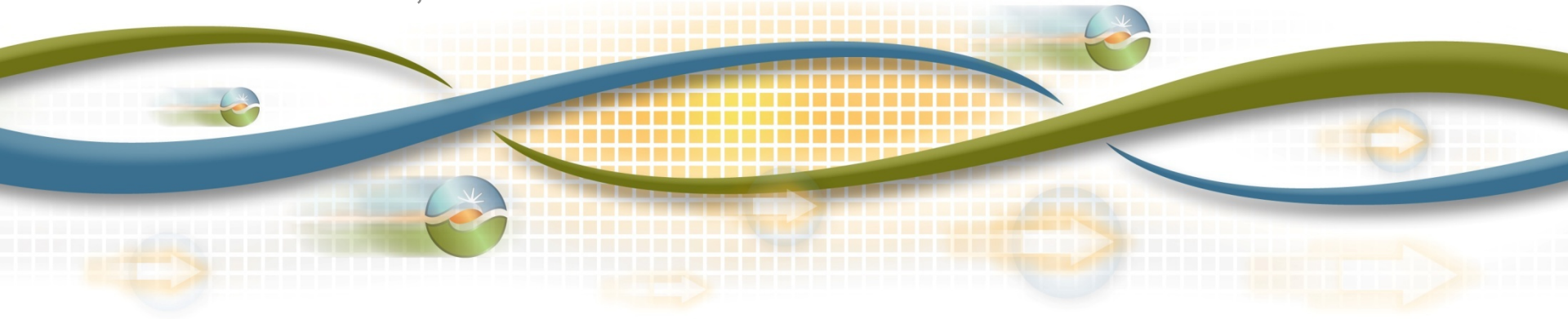


California ISO  
Shaping a Renewed Future

# Decision on Interconnection Process Enhancements for Downsizing and Risk of Disconnection

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New downsizing policy will allow customers to submit a downsizing request every year.

- First annual window will open in October 2014
- All active projects are eligible
- No limit on number of downsizing requests
- No limit on MW amount of downsizing

## Downsizing proposal (continued)

- Impacts of requests will be studied within ISO's existing reassessment study process.
- Projects are obligated to pay for their network upgrades if still needed by other projects.
- Deposit of \$60,000 to cover study costs and costs to amend agreement required.

## Management's proposal addresses stakeholder concerns about risk of disconnection.

- **Concern:** Under the current tariff, the customer could be declared in breach of agreement and have project disconnected if entire project is not built.
- **Resolution:** The ISO will not terminate an interconnection agreement solely for failure to build entire project provided the customer enters the next available downsizing window.

Management's proposal includes enhanced "safe harbor" provision for projects less than 200 MW.

- "Safe harbor" provides protection from contract breach
  - Current - No breach if built to 95% of project size in agreement (5% safe harbor)
  - New - Maximum of 5% of project size or 10 MW, but not greater than 25% of project size

Management recommends that the Board approve the proposal.

The proposal:

- provides customers with significant flexibility to downsize projects;
- addresses risk of disconnection concern;
- enhances ISO's ability to administer interconnection queue; and
- is broadly supported by stakeholders.