Attachment A

Stakeholder Process: Interconnection Process Enhancements

Summary of Submitted Comments

Stakeholders submitted seven rounds of written comments to the ISO on the following dates:

- 4/30/13, 6/25/13, 8/22/13, 12/6/13, 2/28/14, 4/16/14, and 6/11/14 on the topic of the timing of transmission cost reimbursement.
- 4/30/13, 6/25/13, 8/22/13, 12/6/13, 1/15/14, 3/5/14, and 4/23/14 on the topic of redistribution of funds forfeited by withdrawn interconnection customers. The latter three dates were through the GIDAP Reassessment initiative.

Stakeholder comments are posted at:

- http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=A553705F-E45F-40C1-88C4-4CBA99B8F253
- http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=A1CBF4A1-3AAE-46B1-9562-3ADCFA821575

Stakeholders that submitted written comments on the Draft Final Proposal: Independent Energy Producers (IEP), Large-scale Solar Association (LSA) and California Wind Energy Association (CalWEA)[1], Office of Ratepayer Advocates (ORA), Pacific Gas and Electric Company (PG&E), and the Six Cities[2].

[1] LSA and CalWEA submitted joint comments.
[2] Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.

Management proposal	Generation Developers	Participating Transmission Owners	Government Agencies	Management response
Management recommends that reimbursement for required network upgrades be predicated both on a project achieving commercial operation and the upgrades being placed into service. Thus, reimbursement for network upgrades already in service will commence upon the generating facility or phase of the generating facility that requires those upgrades achieving commercial operation, as specified in the generator interconnection agreement. Reimbursement for required network upgrades placed in service subsequent to the date the generating facility or phase of the generating facility achieves commercial operation will commence no later than the beginning of each calendar year for those required network upgrades placed in service during the prior calendar year.	• IEP: States that it opposes Management's proposal because it does not comport with Order No. 2003, specifically the requirement that an interconnection customer receive full reimbursement for network upgrades that it has funded within five years of achieving commercial operation. • LSA/CalWEA: Fully supports the proposal as a reasonable compromise between the positions of stakeholders.	• PG&E: Supports the proposal and views it as a fair process to ensure that advance funding from generators for network upgrades are reimbursed in a reasonable timeframe. PG&E believes this proposal is in alignment with the requirements of the FERC Order No. 2003 series of orders. • SCE: Supports. • Six Cities: Supports with qualifications. Six Cities are unclear as to why participating transmission owners should have the discretionary ability to provide earlier reimbursement.		Management disagrees with IEP's conclusion. As explained during the stakeholder process leading up to this proposal, this issue was addressed by FERC in the context of the ISO's GIP 2 tariff amendment. Therein, FERC accepted the ISO's proposal to base the time period for reimbursement of network upgrades for phased generating facilities on both the achievement of commercial operation and the placement into service of the related upgrades. Finding that repayment of network upgrades is appropriately tied to the utilization of the transmission provider's network, FERC concluded that the ISO's proposal to require that network upgrades associated with a particular phase be in service prior to the commencement of the five-year repayment period was just and reasonable and consistent with FERC's interconnection policies. Despite the fact that FERC decided this matter in the context of phased facilities, FERC did not state or suggest that its reasoning was specific to phased facilities, nor does the ISO believe there is any logical reason that FERC's reasoning should be so limited. In response to Six Cities, Management believes that participating transmission owners should have the flexibility to fully reimburse an interconnection customer upon commercial operation if that has been their practice. But for participating transmission owners who do not opt for this approach, Management's proposal is intended to clarify that commencement of transmission cost reimbursement shall occur no later than certain defined points in time following commercial operation.
Management recommends a two-part method for redistributing funds forfeited by withdrawn	• IEP: Supports. • LSA/CalWEA:	• PG&E: Fully supports.	• ORA: Neutral, conditioned on the	In response to LSA/CalWEA, Management points out that the first part of its proposal accurately reflects what LSA/CalWEA had requested in a previous

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interconnection customers to reduce (1) the costs of certain network upgrades still required for remaining interconnection customers, and (2) transmission access charges for transmission ratepayers.	Supports Management's proposal but argues that it should go further in using forfeited security deposits to reduce the costs of network upgrades for remaining customers in the electrical areas of the withdrawn customers. Specifically, they argue that forfeited security that was originally posted to apply to network upgrades that are no longer needed should not be redistributed in accordance with the second part of the method, but should instead be applied to reduce the costs of other network upgrades needed by customers in the same electrical area as the withdrawn customer, even though the withdrawn customer had no cost responsibility for those upgrades.	• SCE: Supports. • Six Cities: Supports. Six Cities believes this proposal is more equitable than the current approach of allocating funds forfeited by withdrawn interconnection customers to all scheduling coordinators.	proposal reducing the cost of network upgrades for ratepayers.	comment submittal, and also aligns with a principle that Management finds to be reasonable. That is, if an amount of forfeited security was originally posted to apply to a specific network upgrade and that network upgrade is still needed, that amount should still apply to the cost of the same upgrade. Management finds it problematic, however, to apply forfeited security funds to other network upgrades for which they were not originally intended. A primary concern is that there is no justifiable basis to decide which network upgrades should receive cost reductions from such funds. Using the funds to benefit remaining customers in the same electrical area as a withdrawn project, as LSA/CalWEA suggest, would be only one possible basis for allocation. Management expects that other stakeholders could come up with other defensible ideas if the use of these funds is opened up for further discussion. Since transmission ratepayers ultimately pay the costs of all network upgrades, Management believes that its proposed two-part approach provides an appropriate benefit to customers who have shares of the costs of still-needed upgrades, while returning the remaining funds to ratepayers as expeditiously as possible. In response to ORA, Management's proposal is intended to reduce the costs of certain network upgrades still required for remaining interconnection customers which, in turn, will result in a corresponding reduction in the transmission revenue requirements of the relevant participating transmission owner, thus benefitting transmission ratepayers.