Attachment A

Stakeholder Process: Generator Interconnection and Deliverability Allocation Procedures Reassessment

Summary of Submitted Comments

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

- Round One: Issue Paper posted 12/13/13; web conference held 01/08/14; comments received 01/15/14.
- Round Two: Straw Proposal posted 02/12/14; web conference held 02/19/14; comments received 03/05/14.
- Round Three: Draft Final Proposal posted 04/02/14; web conference held 04/09/14; comments received 04/23/14.

Stakeholder comments are posted at: http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=A1CBF4A1-3AAE-46B1-9562-3ADCFA821575

Stakeholders that submitted written comments on the Draft Final Proposal: California Public Utilities Commission (CPUC) staff, 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), the Six Cities[2], and Southern California Edison (SCE).

Other stakeholders that also participated in the initiative: California Department of Water Resources (CDWR), California Energy Commission (CEC), Customized Energy Solutions, Diamond Generating Company, Energy Strategies, E.ON, First Solar, Gestamp Renewables, Invenergy, Macquarie Group, Powin Corporation, Sempra Utilities, NRG Energy, Recurrent Energy, RES Americas, Smart Wire Grid, SunEdison, Terra-Gen Power, The Phoenix Group, Turlock Irrigation District, Valley Electric Association, Wellhead Electric Company and ZGlobal.

[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 an interconnection customer be eligible for a cost cap adjustment if the reassessment results in a significant difference between the customer's existing cost cap and its revised estimated upgrade costs.	• IEP: Fully supports. • LSA/CalWEA: Support with qualification. Although LSA/CalWEA supports the ISO's proposal element to moderate the amount of cost cap adjustment by making the revised cost cap equivalent to a 100% cost allocation to each project for all remaining upgrades, LSA/CalWEA prefers an alternative approach. Specifically, they suggest that the ISO would determine, for each remaining network upgrade , the generation capacity that would drop out before the network upgrade is no longer needed and reduce the cost cap to reflect it, and adjust the cost cap accordingly.	• PG&E: Supports. • SCE: Support with qualification. SCE's support is premised on the ISO's proposal element to moderate the amount of cost cap adjustment by attributing 100% cost allocation to each project for all remaining upgrades. • Six Cities: Does not oppose.	• CPUC staff: Fully supports. • ORA: Takes the position that if cost cap adjustments are allowed, then such adjustments should not be limited to only downward adjustments.	Management appreciates stakeholders' support for its proposal to allow cost cap adjustments in limited circumstances. With regard to the proposal element or approach for moderating the amount of cost cap adjustment, Management retains its proposed approach to moderate the amount of cost cap adjustment by attributing 100% cost allocation to each project for all remaining upgrades. Management has a number of reasons for retaining this element of its proposal. First, Management notes that SCE has premised it support on retaining this approach. Second, the LSA/CalWEA alternative approach would not work for upgrades to mitigate short circuit duty. Short circuit contribution is determined by the connection and impedance of all the interconnection facilities, not directly linked to MW. Third, for other upgrades directly linked to MW, the LSA/CalWEA alternative approach is meaningful only if the cluster group assigned the upgrade cost is the cluster group triggering the upgrade. However, the reassessment methodology is such that the cost responsibility stays with the original triggering group even though after many withdrawals the actual triggering group may have shifted to a later cluster. For example, assume a cluster 'A' that triggers a transformer and five projects in 'A' were assigned the cost. Now assume that two of those projects drop out (three remain) and that the transformer is no longer needed for cluster 'A', but it is needed for projects in subsequent clusters beyond 'A'. Despite this, the remaining cluster 'A' projects still have cost responsibility for the transformer. As such, the worst-case cost allocation for cluster 'A' is always a single project has to pay 100% of the transformer, which is Management's proposed approach. With regard to ORA's view that if cost cap adjustments are allowed such changes should not be limited to only downward adjustments, Management disagrees for two reasons. First, such a mechanism is not necessary because Management's proposal would only apply in situations involving significant decreases in cost responsibility, and moreover will moderate the amount of any downward cost cap adjustment so as to ensure that is less than any reduction in network upgrade cost responsibility resulting from the reassessment. Second,

Management proposal	Generation Developers	Participating Transmission Owners	Government Agencies	Management response
				Management's proposal includes the provision that if there is a subsequent significant change in system configuration, then the customer's cost cap would be adjusted upwards (but no higher than its original cost cap).
Management recommends that a change in network upgrade cost responsibility resulting from a reassessment will qualify an interconnection customer for a corresponding change in its posted interconnection financial security.	• IEP: Fully supports. • LSA/CalWEA: Fully supports.	• PG&E: Supports. • SCE: Fully supports. • Six Cities: Does not oppose.	• CPUC staff: Fully supports.	Management appreciates stakeholders' support for its proposal to allow posting requirements adjustments.