Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Draft Final Proposal posted on May 28, 2014 in the Interconnection Process Enhancements (IPE) initiative and as supplemented by the presentation and discussion during the stakeholder web conference held on June 4, 2014.

Submit comments to GIP@caiso.com

Comments are due June 11, 2014 by 5:00pm

The draft final proposal posted on May 28, 2014 may be found at:

http://www.caiso.com/Documents/DraftFinalProposal-Topics13-14-InterconnectionProcessEnhancements.pdf

The presentation discussed during the June 4, 2014 stakeholder web conference may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancementsJun4_2014.pdf

Please provide your comments as follows.

Timing of transmission cost reimbursement (IPE Topic 13)

Please select one of the following options to indicate your organization's overall level of support for the ISO's draft final proposal regarding the timing of transmission cost reimbursement:

1. Fully support;
2. Support with qualification; or,

3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

IEP opposes the ISO's proposal on Topic 13.

The changes that the ISO has made during the evolution of this Topic proposal have been most helpful and appreciated. IEP continues, however, to be concerned that the ISO's proposal is too open ended about when cost reimbursement would be completed. The ISO's proposal requires that the last-installed NU's be in operation before reimbursement can begin on those last-installed NU's, regardless of how long it may take a PTO to get them in operation, and appears to start the 5-year clock at that point.

The ISO has consistently explained that one of its objectives in this proposal is to conform to certain aspects of FERC Order 2003. Our review of Order 2003 doesn't comport with the ISO's conclusions, however, if it puts and IC at risk of receiving full reimbursement more than 5 years after COD of the generator. From FERC Order No. 2003;

> *"Commission Conclusion*
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> *720. Regarding the specific rules for the payment of credits, the Commission clarifies that the Interconnection* ***Customer is entitled to a full refund of the payments it makes toward the cost of Network Upgrades within five years after the Commercial Operation Date****, as long as the Generating Facility remains in operation through the five year period.117 During the five year period, credits must be awarded on a dollar-for-dollar basis as payments are made for transmission services. However, the Commission is also permitting the payments to be made on any other basis that is mutually agreeable to the Interconnection Customer and the Transmission Provider. For example, if the Parties agree to a stream of uniform monthly payments designed to fully reimburse the Interconnection Customer over the five year period, that would be acceptable. In addition, as stated in Article 11.3 of the Final Rule LGIA, the Transmission Provider may elect to fund the Network Upgrades itself, with no advance payment by the Interconnection Customer, and thus no need for subsequent credits.***[emphasis added]**.
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> *Page 147 footnotes:*
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> *117Although Article 11.4.1 of the NOPR LGIA proposed to begin the five year period on the date that the Network Upgrades are placed in service, as the Commission explains below, the Commission concludes that the Interconnection*

> *Customer should not be entitled to receive a refund unless the Generating Facility achieves commercial operation. Therefore,* ***the Commission is modifying Article 11.4.1 to specify that the five year period begins with the Generating Facility's Commercial Operation Date*** **[emphasis added].**

In addition, the current interconnection tariff (Appendix CC and EE, sections 11.4.1) states that the customer will receive their reimbursement over a period of time not to exceed 5 years from the COD of the generator, or a period of time mutually agreed to by the TO and the customer.

If our interpretation of the ISO's proposal is incorrect, and the IC would indeed receive 100% reimbursement of its contribution to NU's within 5 years of generator COD, then IEP would support the proposal with the qualification that the ISO confirm in the proposal and subsequent tariff language that full reimbursement will conclude within 5 years of generator COD.

Redistribution of forfeited funds (IPE Topic 14)

Please select one of the following options to indicate your organization's overall level of support for the ISO's draft final proposal regarding redistribution of forfeited funds:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

IEP supports the proposal.

IEP's position regarding the use of IFS and study funds forfeited by withdrawn projects is that the money should go to pay down interconnection-related costs in the TAC. The ISO's draft final proposal, while similar to the most recent version, adds what appears to be a reasonable nuance to their prior proposition. The ISO's approach appears reasonable in that the forfeited funds for any NU that's no longer needed will go to TAC, while the cost for NU's that still remain needed will be lowered, but not below the remaining customers' cost responsibility. The allocation of funds PTO helps buy down the cost of the remaining upgrades and the PTO may be relieved of an upfront funding obligation, or at least have a reduced funding obligation. The ISO's approach on the use of these funds wouldn't apply unless the $100,000 threshold is exceeded, which IEP understand from the ISO will be infrequent given interconnection history, meaning that in most instances the funds will go to the TAC.