

**Comments of
The Large-scale Solar Association, The California Wind Energy Association,
The Independent Energy Producers Association, and sPower on the
Generation Driven Network Upgrade Cost Recovery Draft Final Proposal**

The Large-scale Solar Association (LSA), the California Wind Energy Association (CalWEA), the Independent Energy Producers Association (IEP), and sPower (collectively, the Generators) hereby submit these comments on the CAISO's February 6th, 2016 document, Generator Interconnection Driven Network Upgrade Cost Recovery – Draft Final Proposal (Proposal), and the February 13th meeting to discuss it. The Proposal revises the CAISO's earlier November 12th Second Revised Straw Proposal (Prior Proposal).

The Generators collectively represent over 30 separate companies that, among other things, account for a large portion (and likely most) of new-generation projects in the CAISO area.

The Proposal selects and modifies "Option A" in the Prior Proposal to address situations where new-generation development may trigger lower-voltage Network Upgrades (NUs) in the service areas of Participating Transmission Owners (PTOs) with relatively small loads. The costs of such upgrades are paid by those PTOs' ratepayers through their Low-Voltage Transmission Access Charges (LVTACs), and the small loads can lead to large rate impacts.

The Proposal would: (1) Identify PTOs that are small, have high generation potential, and do not require new generation to meet any Renewables Portfolio Standard (RPS); and (2) include lower-voltage NU costs triggered by new generation in those PTOs' areas in the PTOs' High-Voltage Transmission Revenue Requirement (HVTRR). Those costs would then be recovered from all CAISO-area ratepayers through the High-Voltage Transmission Access Charge (HVTAC). Approval for this treatment would be required from the CAISO Board and FERC.

Generator positions

The Generators strongly support the Proposal – their specific views are described below.

- **The Proposal is narrowly tailored, and consistent with the current long-standing and much-negotiated transmission-cost structure.** While the Generators had supported Option B, because it offered greater up-front certainty about the treatment of LVTAC costs to applicable PTOs and new generators seeking to locate in those areas, the revised Option A could offer comparable certainty if the timeline for the stakeholder process and approval were established on an expedited basis.
- **The CAISO is correct in proceeding expeditiously to gain Board and FERC approval for the Proposal.** As the Generators have stated in past comments, this issue may be impeding GIA formation in the VEA area, and further delays could cause projects to miss important milestones in their other agreements and in the development process overall.
- **The proposed accommodation will have little effect on others** – at most, a very small change in the fourth or fifth decimal for HVTAC rates.