

**Comments of LS Power Development, LLC on
CAISO's C1/C2 Deliverability Revised Discussion Paper (Jan 10, 2011)**

Submitted by	Company	Date Submitted
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I. Introduction

LS Power Development, LLC (LS Power) appreciates this opportunity to provide comments on CAISO's Revised Discussion Paper for C1/C2 Deliverability. LS Power has been an active participant in CAISO's stakeholder initiatives related to Generation Interconnection and commends CAISO staff for its substantial efforts in modifying the tariff and procedures related to Generation Interconnection in order to meet Interconnection Customers' needs and to help the state meet its aggressive RPS Goals. As noted below, LS Power's major concern with the Deliverability proposal is that it might delay the schedule of finishing Phase 2 studies for Clusters 3 & 4. LS Power strongly recommends that CAISO make every effort to meet the published tariff timelines for Phase II studies for C3/C4 projects.

LS Power generally supports CAISO's proposal but has comments on a few areas of the proposed procedures, as outlined below. LS Power recommends that CAISO consider these comments while developing the final proposal for C1/C2 Deliverability Analysis.

II. Application of the new methodology for C3/C4 projects

LS Power supports CAISO's proposal in extending the revised deliverability methodology to C3, C4 projects. At the stakeholder meeting, CAISO staff indicated that the Phase I studies which have been already conducted for C3, C4 projects will not be redone. Rather, the new methodology will be applied in the Phase II study process for C3, C4 projects. LS Power supports this approach, however recommends that CAISO restricts conducting any additional analysis under the new approach for Phase II studies of C3, C4 projects. CAISO should use the new study approach for the "base" analysis for C3, C4 Phase II studies, rather

than conducting “base” analysis using the current approach, and then running an additional sensitivity analysis using “new” proposed approach. This will help CAISO meet the currently published schedules for completion of the C3, C4 Phase II study report.

Further, at the stakeholder meeting, some stakeholders requested that CAISO reduce the security posting requirements for C3, C4 projects by applying the new Deliverability study approach. LS Power supports this; however only to the extent this is possible without conducting any additional studies and without causing any delays to C3, C4 Phase II study completion.

III. Keeping the existing C3, C4 Phase II study schedule is extremely important

Per CAISO’s current GIP tariff, Phase II studies for C3 and C4 projects are expected to be completed by Aug 2012. LS Power strongly encourages CAISO to make every effort to meet these tariff timelines. Projects in the generation interconnection queue heavily rely on these timelines; especially the projects that have secured PPAs – many of which have strict development milestones that are often developed using published CAISO interconnection study timelines. Any delay to these timelines could significantly impact the success of otherwise viable projects.