

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Revised Straw Proposal that was posted on May 11, 2015 and as supplemented by the presentation and discussion during the May 18, 2015 stakeholder meeting.

Submit comments to [initiativeComments@caiso.com](mailto:initiativeComments@caiso.com)

[Comments are due June 1, 2015 by 5:00pm](#)

The Revised Straw Proposal posted on May 11, 2015 may be found at:

[http://www.caiso.com/Documents/RevisedStrawProposal\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/RevisedStrawProposal_InterconnectionProcessEnhancements2015.pdf)

The presentation discussed during the May 18, 2015 stakeholder meeting may be found at:

[http://www.caiso.com/Documents/Agenda-Presentation\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/Agenda-Presentation_InterconnectionProcessEnhancements2015.pdf)

For each topic that was modified in the Revised Straw Proposal please select one of the following options to indicate your organization's overall level of support for the CAISO's proposal:

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.

### Topic 1 – Affected Systems

MID thanks the CAISO for changing the response time to the CAISO’s notice identifying a neighboring utility as an Affected System from 30 to 60 days. While MID herein adjusts its position regarding the CAISO’s proposal from “oppose” to “neutral,” that position is based on the CAISO’s representations in its Revised Straw Proposal. Tariff language changes are needed to address MID’s concerns. MID reserves the right to change its position back to “Oppose”, should its concerns remain after the next CAISO proposal.

**Conflicts with Contractual and Mitigation Rights.** In its April 10, 2015 comments, MID expressed that it was chiefly concerned that the CAISO’s proposed language would conflict with MID’s mitigation rights in agreements with other entities, such as MID’s Interconnection Agreement (“IA”) with Pacific Gas and Electric Company (“PG&E”). In response to these concerns, the CAISO states in its Revised Straw Proposal:

The CAISO’s intent of this proposal is not to determine the contracting or legal rights of an affected system, but to clearly define what the CAISO actions will be with respect to mitigation of affected system issues if an affected system does not identify themselves on a timely basis to allow Interconnection Customer’s sufficient time to resolve issues without jeopardizing the development timeline of their project.<sup>1</sup>

However, despite the CAISO’s statements in the explanatory text to its Revised Straw Proposal cited above, the CAISO’s proposed Tariff language remains:

If an electric system operator comes forward after the established timeline as an Affected System, any mitigation required for a project identified by the Affected System will be the responsibility of the Affected System and not the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer.

The phrase that mitigation will “not” be the responsibility of the CAISO, Participating Transmission Owner(s) (“PTOs”) or Interconnection Customer is particularly problematic, in that it could be asserted that the CAISO Tariff preempts or trumps bilateral agreements. While the CAISO itself may not seek to interfere with contractual rights or legal rights in, for example, a civil tort claim, that may not stop third parties from arguing that the CAISO’s Tariff language

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<sup>1</sup> Revised Straw Proposal at 10.

cuts off rights in, e.g., MID's IA with PG&E, despite what is stated in the Revised Straw Proposal. Such parties will argue that the Tariff language is the final word, not the explanatory text in the Revised Straw Proposal.

In its April 10, 2015 stakeholder comments, MID proposed an alternative that would meet the CAISO's stated intent, by adding to the end of the aforementioned sentence of the CAISO's proposed Tariff language:

except that the CAISO Tariff shall not preclude or prejudice an Affected System from enforcing any legal rights it may have in any forum to seek and obtain study(-ies), mitigation, compensation, protection and/or other remedies from the CAISO, the Participating Transmission Owner(s), and/or the Interconnection Customer, including but not limited to enforcement of rights in agreements between the Affected System and the Participating Transmission Owner(s) filed and accepted or approved at FERC, or enforcement of Reliability Standards promulgated by NERC and WECC.

TID, the other entity concerned with the CAISO's language on this subject proposed a similar solution with the following language: "Nothing in this section shall be interpreted to supersede the terms and conditions of any contracts between or among the CAISO or PTOs and the Affected Systems." However, the CAISO adopted neither of these proposals. MID believes that the CAISO should have adopted one of these proposals, though the TID language should include broader language to cover civil remedies and North American Electric Reliability Corporation ("NERC")/Western Electricity Coordinating Council ("WECC") remedies.

From the Revised Straw Proposal, MID understands that the CAISO's intent is to state that after the "cut-off", there are no mitigation remedies available in the CAISO Tariff. However, the language should clarify that Affected Systems' other legal rights will be unaffected by the CAISO's proposal. In that vein, a different alternative that may more closely match what the CAISO describes as its intent, but with the addition of less verbiage, is as follows:

If an electric system operator comes forward after the established timeline as an Affected System, any mitigation required under the CAISO Tariff for a project identified by the Affected System will be the responsibility of the Affected System and not the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer. Mitigation remedies that may be available outside of the CAISO Tariff are unaffected by this provision.

Such language would clarify that an Affected System is not precluded from pursuing remedies that may be available from WECC or NERC, or through agreements with PTOs, such as IAs, or through any available claims in civil court such as tort negligence. The language would mean

that neighboring entities that do not timely respond to the CAISO would be precluded from citing the CAISO Tariff, and in particular, the CAISO Tariff provisions concerning Affected Systems, as a basis for demanding mitigation. The language would save entities later from debating whether the CAISO Tariff was meant to supersede mitigation rights that may be available in third-party contracts, through NERC/WECC, or in civil court, and save all parties involved from the time, expense and effort of excavating, explaining and arguing the import and applicability of the explanatory language in the Revised Straw Proposal.

**Notice requirements.** In response to MID’s concerns regarding a potentially affected system receiving notice, the CAISO states that: “[W]hen the CAISO sends its notification to potentially affected systems, it already sends the notification electronically with a read-message reply, and a hard copy is sent through U.S. mail.”<sup>2</sup> MID only adds that the CAISO should affirm that it actively confirms receipt of such notices, either through certified mail or by confirming that it checks the read-message reply.

**Process for Affected Systems that the CAISO does not identify.** MID argued that the CAISO should permit Affected Systems to identify themselves for purposes of the CAISO study processes after the deadline, if the CAISO has not identified such systems as Affected Systems, and such systems later learn facts suggesting they will be impacted, or if the CAISO later finds that such systems should have been identified (or circumstances have changed that such systems should be identified as Affected Systems). The Revised Straw Proposal was silent on this issue. MID urges the CAISO to develop Tariff language that would allow systems to be classified as Affected Systems after the notice deadline under circumstances of later-discovered facts. Otherwise, under circumstances where the CAISO would agree that the system should have been identified as an Affected System, the CAISO would be boxed in from doing so. In such case, the option of seeking a waiver from the Federal Energy Regulatory Commission (“FERC”) to classify a system as an Affected System after the deadline is a poor one, as it brings a high degree of uncertainty into the process, and may delay the process for all participants. Rather, the CAISO should adopt Tariff language along the lines of the following: “except that the CAISO may waive the response deadline and deem the electric system operator as an Identified Affected System, if facts and circumstances are discovered after the response deadline that would warrant the electric system operator being treated as an Identified Affected System.”

**Clarify Use of the Term “Identified Affected System”.** There remains a disconnect in the CAISO’s proposed language for CAISO Tariff Section 3.7 and the CAISO’s proposed definition of “Identified Affected System” where the latter seems to indicate, in contrast to the proposed text in Section 3.7, that a potentially affected system is deemed an Identified Affected System even if it does not return a written response to the CAISO within 30 days of the CAISO sending notice to the system. However, the language in proposed Section 3.7 suggests that the notified system “shall advise the CAISO in writing that . . . : 1) the CAISO should consider the electric system to be an Identified Affected System...”. This language could create confusion down the

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<sup>2</sup> Revised Straw Proposal at 11.

road. MID understands that the proposed term “Identified Affected System,” is intended to connote an Affected System eligible for mitigation pursuant to the terms of the CAISO Tariff. MID proposes alternatives, in highlight, below:

Section 3.7: The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer’s Interconnection Request or Group Study, within thirty (30) calendar days after determining which projects in each study cluster have posted their initial Interconnection Financial Security. Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator shall advise the CAISO in writing that either: 1) the CAISO should consider the electric system to be an Identified Affected System; or 2) the electric system **should not be considered to be** ~~is not~~ **an Identified** Affected System. If the electrical system operator does not make an affirmative representation within sixty (60) calendar days of notification, the CAISO will assume that the electric system is not an **Affected System and shall not be considered to be an Identified** Affected System for purposes of eligibility for mitigation under the CAISO Tariff. **An electric system operator may identify itself to the CAISO as an Affected System before the deadline for responses to the CAISO’s notice, even if such electric system operators have not received written notice from the CAISO that they are potentially affected by the Interconnection Customer’s Interconnection Request or Group Study.** If an electric system operator comes forward after the established timeline as an Affected System, **such electric system operator is not an Identified Affected System, and any mitigation required for a project identified by the Affected System will be the responsibility of the Affected System and not the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer.** If required by the Identified Affected System, the Interconnection Customer will ~~signing~~ separate study agreements with Identified Affected System owners and ~~paying~~ for necessary studies. ~~An entity which may be an Identified Affected System~~ **s** shall cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Identified Affected Systems.

#### **Appendix A Master Definition Supplement**

##### **- Identified Affected System**

An Affected System ~~O~~operator who either **timely** stated **or which is deemed to have timely stated** that it should be considered an Affected System or whose electric system has been identified by the CAISO as potentially impacted by a generator interconnection through the applicable study process.

#### **Summary of Proposed Changes**

To recap MID’s proposed changes in one place, MID recites the following edits in highlight:

Section 3.7: The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer’s Interconnection Request or Group Study, within thirty (30) calendar days after determining which projects in each study cluster have posted their initial Interconnection Financial Security. Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator shall advise the CAISO in writing that either: 1) the CAISO should consider the electric system to be an Identified Affected System; or 2) the electric system should not be considered to be is not an Identified Affected System. If the electrical system operator does not make an affirmative representation within sixty (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System and shall not be considered to be an Identified Affected System for purposes of eligibility for mitigation under the CAISO Tariff. An electric system operator may identify itself to the CAISO as an Affected System before the deadline for responses from CAISO’s notice, even if such electric system operators have not received written notice from the CAISO that such they are potentially affected by the Interconnection Customer’s Interconnection Request or Group Study. If an electric system operator comes forward after the established timeline as an Affected System, such electric system operator is not an Identified Affected System, and any mitigation under the CAISO Tariff required for a project identified by the Affected System will be the responsibility of the Affected System and not the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer, except that the CAISO may waive the response deadline and deem the electric system operator as an Identified Affected System, if facts and circumstances are discovered after the response deadline that would warrant the electric system operator being treated as an Identified Affected System.— Mitigation remedies that may be available outside of the CAISO Tariff are unaffected by this provision. If required by the Identified Affected System, the Interconnection Customer will signing separate study agreements with Identified Affected System owners and paying for necessary studies. An entity which may be an Identified Affected Systems shall cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Identified Affected Systems.

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MID reserves the right to change its position or views expressed herein at a later date.

**Topic 2 – Time-In-Queue Limitations**

**Topic 3– Negotiation of Generator Interconnection Agreements**

**Topic 5 - Stand-Alone Network Upgrades and Self-Build Option**

**Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process**

**Topic 11 –TP Deliverability Option B Clarifications**