

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
James McFall, (209) 526-7521, <a href="mailto:JamesM@mid.org">JamesM@mid.org</a> ; or Sean Neal, (916) 498-0121, <a href="mailto:smn@dwgp.com">smn@dwgp.com</a>	Modesto Irrigation District	July 27, 2015

Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Draft Final Proposal that was posted on July 6, 2015 and as supplemented by the presentation and discussion during the July 13, 2015 stakeholder meeting.

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

**[Comments are due July 27, 2015 by 5:00pm](#)**

The Draft Final Proposal posted on July 6, 2015 may be found at:

[http://www.caiso.com/Documents/DraftFinalProposal\\_InterconnectionProcessEnhancements-2015.pdf](http://www.caiso.com/Documents/DraftFinalProposal_InterconnectionProcessEnhancements-2015.pdf)

The presentation discussed during the July 13, 2015 stakeholder meeting may be found at:

<http://www.caiso.com/Documents/Agenda-Presentation-InterconnectionProcessEnhancements2015-DraftFinalProposal.pdf>

For each topic that was modified in the Draft Final 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 amending its proposal to incorporate MID’s suggestion to allow for an Affected System to identify itself outside of the 60-day notice window if facts and circumstances are later discovered that indicate an electric system operator may be a potentially Affected System. MID similarly appreciates the CAISO’s addition of a definition for “Identified Affected System” into Appendix A of the CAISO Tariff, plus the additional revisions, corrections and clarifications. With these revisions, MID may be able to state that it does not oppose the CAISO’s Draft Final Proposal, though there is an overriding concern that needs to be addressed before MID can so state.

In MID’s April 10, 2015 and June 1, 2015 comments, MID expressed that its chief concern is that the CAISO’s proposed language would conflict with MID’s mitigation rights outside of the CAISO Tariff, including in agreements with other entities, such as MID’s Interconnection Agreement with Pacific Gas and Electric Company (“PG&E”). Specifically, MID is concerned that the CAISO’s proposed language in its Draft Final Proposal, which has not changed throughout this stakeholder process, could encourage third parties to claim that the CAISO Tariff supersedes Affected Systems’ mitigation rights in venues outside of the CAISO, such as the Federal Energy Regulatory Commission (“FERC”), the North American Electric Reliability Corporation (“NERC”)/Western Electricity Coordinating Council (“WECC”), or civil court. In its June 1 comments, MID suggested revising the CAISO’s proposed language as follows (proposed changes in underline):

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.

MID explained that its proposed language was a compromise from its April 10 comments, which took an even stronger position to preserve Affected Systems’ rights. MID’s June 1 comments reflected MID’s understanding that the CAISO does not intend to determine or otherwise interfere with an Affected System’s legal or contractual rights to mitigation remedies existing outside of the CAISO Tariff, which the CAISO affirmed in the explanatory text of its Revised Straw Proposal and during the IPE 2015 stakeholder calls on May 18, 2015 and July 13, 2015. In other words, MID understands that the CAISO’s intent is to state that, if an Affected System

does not identify itself before or during the 60 day notice window, then it will forfeit its mitigation remedies available under the CAISO Tariff.

However, the CAISO's proposed Tariff language concerning Affected Systems is silent on this point, and the proposed Tariff language could be read by third parties to read that mitigation rights outside of the CAISO Tariff are curtailed. MID's concerns are heightened in that the CAISO explained that its reason for rejecting MID's proposed change to the Tariff language in the Revised Straw Proposal was that, "[w]hile the CAISO now better understands MID's position, because the CAISO does not know the terms and conditions of every contract that each Affected System may have with other parties, allowing the proposed exception language in the CAISO tariff is not feasible." Draft Final Proposal at 13. However, rejecting all of MID's clarifying language, as the Draft Final Proposal does, leaves open the risk to further dispute and curtailment of rights at a later date.

During the July 13 stakeholder call, MID inquired about the CAISO's explanation on this point in its Draft Final Proposal. MID understood the CAISO on the call to explain that it cannot include language in its Tariff that obligates it to third party agreements without fully understanding what those agreements entail. Although MID believe its proposed language in its June 1 comments would not obligate the CAISO to undertake any actions, MID affirms that its intent is not to obligate the CAISO to take any action with respect to any third-party rights or contracts. MID is unclear with what obligations the CAISO is concerned, and MID did not hear the CAISO on the call to have articulated a particular example of an obligation with which it is concerned. The only plausible concern would be placing the CAISO in a position to enforce, or express support for substance of, third-party legal or contractual rights.

On the call, MID pointed to one aspect of MID's language proposed in comments responding to the Revised Straw Proposal, "Mitigation remedies that may be available outside of the CAISO Tariff are unaffected by this provision," as a possible source of the CAISO's concern. While it is a stretch to consider this language as imputing a responsibility on the part of the CAISO to affirmatively enforce or support third-party legal rights or contracts, MID believes striking this sentence should allay any concerns on this point.

Accordingly, MID would not oppose language that revises the CAISO's Draft Final Proposal 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.

This language would address the mitigation rights that are already contemplated under the CAISO Tariff while preserving the third-party contract rights and third-party legal rights (whether they exist at FERC or in civil court), outside of the CAISO Tariff. Such a construction is proper because, as the CAISO agrees, the CAISO does not have authority over an Affected System Operator to require specific actions. *See, e.g.*, Draft Final Proposal at 9. Further, MID's current proposal would incorporate even less verbiage into the CAISO's proposed language than previously proposed in MID's April 10 or June 1 comments, and no other stakeholder expressed concerns with MID's revisions in either of those sets of comments.

If the CAISO does not accept MID's recommended revision, or propose language that otherwise sufficiently addresses this issue, then MID will have no choice other than to oppose the Draft Final Proposal. MID cannot see how its proposed language could be construed to obligate the CAISO to any action or require it to support any third-party contract. If the CAISO does not accept MID's revision or offer sufficiently protective alternative language, MID's skepticism of the CAISO's language would increase to the point that MID believes that the CAISO's language actually is intended to allow a third-party to assert that the CAISO cut-off of rights in the proposed notice-and-response process is meant to overwrite third-party legal rights or contracts.

### [Topic 2 – Time-In-Queue Limitations](#)

### [Topic 3– Negotiation of Generator Interconnection Agreements](#)