

## Stakeholder Comments Template

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**COMMENTS OF  
THE OFFICE OF RATEPAYER ADVOCATES  
OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE  
INTERCONNECTION PROCESS ENHANCEMENTS  
DRAFT FINAL PROPOSAL**

### I. INTRODUCTION

On May 28, 2014, the California Independent System Operator (CAISO) posted the draft final proposal for its Interconnection Process Enhancements (Draft Final Proposal). On June 4, 2014, the CAISO held a stakeholder call to discuss the Draft Final Proposal. The Office of Ratepayer Advocates (ORA) appreciates the opportunity to participate in this CAISO-sponsored stakeholder process and submits these comments regarding topic 14, redistribution of forfeited funds.<sup>1</sup>

### II. DISCUSSION OF ORA’S POSITION ON REDISTRIBUTION OF FORFEITED FUNDS

In the Draft Final Proposal, CAISO proposes to use a portion of the forfeited funds to reduce the costs of certain network upgrades.<sup>2</sup> More specifically, CAISO proposes that as part

<sup>1</sup> Silence on a particular topic should not be construed as assent.

<sup>2</sup> Draft Final Proposal at 3.

of the Generator Interconnection and Deliverability Allocation Procedures (GIDAP), the CAISO will identify those network upgrades that (a) were required for each interconnection customer that withdrew in the previous calendar year, and (b) are still required following the interconnection customer’s withdrawal. The CAISO will then calculate the portion of each withdrawn customer’s forfeited interconnection financial security posting that is proportional to the share of that interconnection customer’s network upgrade cost responsibility associated with network upgrades identified in the previous step as still required following the interconnection customer’s withdrawal. For such network upgrade, the CAISO will redistribute the calculated share of the withdrawn interconnection customer’s forfeited posting to the *appropriate* participating transmission owner as a contribution in aid of construction of that network upgrade, thus reducing the cost of that network upgrade.<sup>3</sup> The CAISO will use the reduced network upgrade cost estimates for purposes of GIDAP network upgrade cost allocation. The Draft Final Proposal also states that because individual amounts can be small, the CAISO will apply forfeited funds against cost of specific network upgrades only when the amount for the network upgrade is *\$100,000 or greater*.<sup>4</sup> Smaller amounts would be included in the transmission revenue balance account (TRBA)/transmission access charges (TAC) redistribution.

ORA is neutral on CAISO’s proposed treatment of the forfeited funds, as long as the forfeited funds will result in reducing the cost of network upgrades for ratepayers. For clarity, ORA notes that CAISO’s use of the words “appropriate participating transmission owner” is unclear. ORA interprets this to mean participating transmission owner that is associated with the withdrawn network upgrades. If this is case, ORA recommends that the CAISO should specify in its Draft Final Proposal that the CAISO will redistribute the calculated share of the withdrawn interconnection customer’s forfeited posting to the *relevant or specific* participating transmission owner as a contribution in aid of construction of that network upgrade, thus reducing the cost of that network upgrade, to avoid any confusion as to which participating transmission owner would get the forfeited posting. Furthermore, the CAISO should explain and justify why \$100,000 is the appropriate threshold for applying forfeited funds against cost of specific network upgrades.

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<sup>3</sup> *Id.* at 3 (emphasis added).

<sup>4</sup> *Id.* at 3-4 (emphasis added).