

Stakeholder Comments Template

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**COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES OF THE
CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE CAISO'S
INTERCONNECTION PROCESS ENHANCEMENTS INITIATIVE
REVISED STRAW PROPOSAL**

I. INTRODUCTION

On November 8, 2013, the California Independent System Operator (CAISO) posted a revised straw proposal on Topics 3-5 and 12-15 for its Interconnection Process Enhancements initiative (Revised Straw Proposal). On November 18, 2013, CAISO held a stakeholder call to discuss the Revised Straw Proposal. The Office of Ratepayer Advocates (ORA) appreciates the opportunity to participate in this CAISO-sponsored stakeholder process and submits these comments regarding Topics 13 (Clarify timing of transmission cost reimbursement) and 14 (Distribution of forfeited funds).¹

¹ Silence on a particular topic should not be construed as assent.

II. DISCUSSION OF ORA'S POSITION ON TOPICS 13 AND 14

A. Topic 13 – Clarify timing of transmission cost reimbursement

ORA generally supports CAISO's proposal to establish a common approach for phased and non-phased generating facilities with regard to commencement of reimbursement for network upgrade costs. ORA agrees that such a common approach strikes an appropriate balance to eliminate differential treatment of phased and non-phased projects regarding timing of reimbursement and incentivizes timely completion of transmission upgrades by Participating Transmission Owners (PTO). Specifically, ORA agrees with CAISO's proposal under which the reimbursement commences once the following two conditions are met: 1) The generating facility, or phase of the facility for phased projects, achieves commercial operation; and, 2) the earlier of a) the in-service date of the required network upgrades for the facility or phase of the facility; or, b) a specified period of time after the facility or phase of the facility has achieved commercial operation, and two years as specified period.

B. Topic 14 – Distribution of forfeited funds

The CAISO tariff currently provides that funds forfeited by interconnection customers that withdraw from the generator interconnection queue, including both study deposit funds and interconnection financial security postings, will be redistributed on an annual basis to scheduling coordinators. CAISO proposes two alternative straw proposals regarding this topic. Option A would redistribute forfeited funds to transmission ratepayers on a system-wide basis via offsets to the High Voltage Transmission Revenue Requirements (HVTRR), which is recovered through the High Voltage Transmission Access Charge (HVTAC). Option B would use the funds to offset adverse financial impacts of project withdrawals on interconnection customers remaining in queue and PTOs. ORA supports Option A because: 1) it is easier for CAISO to administer without the need to identify impacts of the withdrawals of generators and 2) it directly reduces the charges imposed on ratepayers for high voltage transmission access services.

In addition, CAISO's distribution of forfeited funds proposal seems to focus solely on forfeited funds associated with withdrawing generators that intended to interconnect to PTO's high voltage transmission facilities. ORA recommends CAISO also include clarification

regarding forfeited funds associated with withdrawing generators that intended to interconnect to PTO's low voltage facilities. Under this scenario, ORA recommends forfeited funds associated with withdrawing generators intended to interconnect to low voltage facilities of the applicable PTO(s) be redistributed to applicable PTOs to offset their Low Voltage Transmission Revenue Requirements (LVTRR).