



Comments of Pacific Gas and Electric Company TPP-GIP Integration Draft Final Proposal

Submitted by	Company	Date Submitted
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Pacific Gas & Electric Company (PG&E) appreciates the opportunity to participate in the stakeholder process for the California Independent System Operator’s (CAISO) Transmission Planning Process (TPP) Generator Interconnection Process (GIP) Integration Initiative, and would like to commend the CAISO for the amount of stakeholder input that it sought and incorporated into the final draft proposal. The CAISO set out to tackle a seemingly intractable problem, and while some issues remain, the set of reforms it has presented could go a long way towards addressing the challenges associated with the large number of interconnection requests the market has seen over the past few years.

PG&E supports the overall structure of the proposal, which 1) uses well-defined ranking criteria as the basis for the initial allocation of available Transmission Plan (TP) deliverability capacity to eligible projects in oversubscribed areas, and 2) uses an additional set of criteria to ensure that projects that receive an allocation continue to make commercial progress. PG&E offers the following suggestions for how to further refine some of the details in the proposal.

Comments

PG&E believes that Load Serving Entities (LSEs) should not be required to:

- **Disclose shortlist information to the CAISO**
- **Monitor “reversals of progress” with respect to any allocation ranking criteria**
- **Determine whether a delay of Commercial Operation Date (COD) was “beyond the [interconnection] customer’s control”**
- PG&E believes that due to confidentiality concerns, LSEs should not be required to disclose shortlist information to the CAISO for the purpose of determining which projects are eligible for TP-deliverability allocation. However, if the CAISO is able to obtain this information without requiring LSE disclosure and continues to use it as an eligibility criterion, the CAISO should state that using the information in this way should not necessitate any changes to the LSE shortlist process.

- PG&E recommends that the CAISO should be the responsible party for monitoring and reporting “reversals of progress”, as it is the CAISO that is the main point of contact for administering the interconnection procedures of its tariff, as well as the party that administers the ranking criteria and scoring.
- The CAISO, not the LSE, should be responsible for determining whether the reason for delay was “beyond the [interconnection] customer’s control”.

All projects interconnecting as Energy Only should have the same cost responsibilities with respect to Reliability Network Upgrades (RNUs)

The CAISO should create a single cost allocation method for RNUs for Energy Only interconnections, which could include a cost cap on RNU reimbursement. PG&E’s understanding of the current proposal is that if a project selects Energy Only in its interconnection request, its RNUs will be reimbursable, but if an Option A project¹ downgrades to Energy Only after not receiving an allocation of TP deliverability, its RNUs will not be reimbursable.

This aspect of the proposal essentially discourages the pursuit of deliverability by creating a new risk that projects would not be reimbursed for their RNUs if they pursue deliverability under Option A but fail to get an allocation. In PG&E’s view, projects should be encouraged to pursue deliverability if there is a reasonable chance that they will meet the eligibility criteria and might rank high enough to receive an allocation of TP deliverability. While there might be value in knowing a project will be Energy Only early in the process, the different cost allocation methods for RNUs seems punitive for projects that attempt but fail to get an allocation, especially if there is regulatory pressure for these projects to pursue deliverability.

Further, the CAISO’s proposed policy creates an inefficient incentive for an Option A project that downgrades to Energy Only after not receiving an allocation of TP deliverability. Such a project would likely choose to simply drop out of the queue and reapply in the following cycle as an Energy Only project just so that its RNUs would be reimbursable. It would seem more efficient and in the spirit of the tariff to allow this transition to occur within the same interconnection process cycle.

Projects that choose Option B should not be eligible for an allocation of TP deliverability

As PG&E has stated in previous comments, projects selecting Option B should not be eligible for TP deliverability. A project that wants the opportunity to pursue an allocation of ratepayer-funded deliverability capacity should choose Option A, and a project that wants to pursue deliverability by paying for the upgrades itself should choose Option B. This will make the difference between Option A and Option B projects clear and distinct. Allowing Option B projects to pursue an allocation conflates the two options and complicates the proposal unnecessarily.

¹ PG&E understands “Option A projects” to mean projects that indicate between GIP Phases 1 and 2 that they require a TP deliverability allocation to be viable as fully deliverable, and Option B projects to mean projects that indicate they are willing to fund their identified Delivery Network Upgrades (DNU) without reimbursement.

PG&E understands the need to create a path to interconnection for all projects, and acknowledges that there are theoretically reasons that a project might choose Option B. However, in practice, particularly since Phase 1 Area Deliverability Network Upgrade (ADNU) cost estimates will no longer represent a cost cap, an LSE is unlikely to execute a Power Purchase Agreement (PPA) with a B project based on low Phase 1 ADNU estimates alone. The risk that the B project would not receive an allocation and would pay for its upgrades itself would be very difficult to price into the PPA, so it is more likely that an LSE would wait to see if the project is allocated TP deliverability before executing a PPA. In this sense, the distinction between A and B would be moot because only those projects that receive an allocation are likely to remain viable enough to successfully execute a PPA with the LSE.

PG&E is concerned about the concurrent timing of the GIP Phase 2 study with the following cluster's Phase 1 study

PG&E is concerned about the overlapping schedules for the Phase I and Phase II studies since the start dates will be the same and the end dates will be within one month one another. For the two study phases to be completed concurrently, the study clusters and the number of interconnection requests would have to be sufficiently small. If a future cluster contained the number of requests that Cluster 4 had, the proposed concurrent timelines might not be feasible.