



Comments of Pacific Gas and Electric Company Interconnection Process Enhancements Topics 6-12 Draft Tariff Language

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) appreciates the opportunity to review and provide comments on the CAISO’s draft tariff language for Interconnection Process Enhancements (IPE) Topics 6-12, which were posted by the CAISO on July 15, 2013. PG&E’s comments are in response to the CAISO’s proposed draft tariff language and also include redline revisions that reflect tariff clarifications. PG&E’s edits are documented in redline format in the attached matrix.

The table below summarizes PG&E’s comments and maps the comments to the relevant sections of the CAISO Tariff.

CAISO Tariff Section	Nature of Comment	PG&E’s Comment
25.1.2	Comment	PG&E opposes the CAISO’s insertion of “at its option” in the gray highlighted text. PG&E believes it is critical for Participating Transmission Owners (PTOs) to retain their role in participating in the verification activities referred to in this tariff section.
Appendix T, 5.3; Appendix V, 11.4; Appendix Y, 12.3.2; Appendix DD, 14.3.2; Appendix EE, 11.4; Appendix FF, 5.3	Tariff Clarification	PG&E offers edits to clarify that the Interconnection Customer (IC) holds the right at its sole discretion to receive reimbursement for the cost of Network Upgrades, however, the IC is under no <i>obligation</i> to exercise that right.
Appendix Y, 7.1	Tariff Clarification	PG&E offers edits to bring the CAISO Tariff into conformance with current CAISO and PTO practices and to clarify the requirement that Reliability Network Upgrades (RNUs) are required for Commercial Operation.

Appendix CC, 5.9	Tariff Clarification	PG&E offers edits to clarify the scope of a Limited Operation Study such that the study evaluates any proposed operation that is prior to achievement of COD.
Appendix DD, 3.7	Comment	PG&E opposes the removal of the last sentence of Appendix DD Section 3.7. On August 5, 2013 the CAISO launched a new stakeholder process referred to as Affected System Impacts of Generator Interconnection. On Page 4 of the CAISO’s policy paper introducing the initiative, the CAISO cites the very same sentence from its tariff that it proposes to delete as part of the IPE framework to promote more effective Affected Systems Coordination. PG&E advises the CAISO to retain the last sentence of Appendix DD, Section 3.7 at this time, and to vet any proposed modifications to the CAISO tariff relating to affected systems through the new dedicated stakeholder process.

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Section	Description of change	Proposed Blackline
Section 25.1.2		<p>25.1.2 Affidavit Requirement</p> <p>If the owner of a Generating Unit described in Section 25.1(d), or its designee, represents that the total <u>generating</u> capability and electrical characteristics of the Generating Unit will be substantially unchanged from the previously approved generating capability, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total <u>generating</u> capability and electrical characteristics of the Generating Unit will have remained substantially unchanged. However, if there is any change to the total <u>generating</u> capability and electrical characteristics of the Generating Unit, however, the affidavit shall include supporting information describing any such changes. The CAISO and the applicable Participating TO shall have the right to verify whether or not the total <u>generating</u> capability or electrical characteristics of the Generating Unit have <u>substantially</u> changed or will <u>substantially</u> change. The CAISO may, at its option, engage the services of the applicable Participating TO in the CAISO's conducting such verification activities, in which case the such costs shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in any CAISO invoice for verification activities.</p>
Appendix T Section 5.3		<p>5.3 Transmission Credits</p> <p>No later than thirty (30) calendar days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 5.3.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer per Article 5.3.1.</p>
Appendix V Section 11.4		<p>11.4 Transmission Credits. No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer per Article 11.4.1.</p>

<p>Appendix Y Section 7.1</p>	<p>Edits proposed by PG&E to clarify in the scope of the study that all RNU's are not necessarily needed for physical interconnection, but they are required for safe and reliable operation, as well as Commercial Operation.</p>	<p>The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. Beginning with Queue Cluster 5, the Phase II Interconnection Study will incorporate eligible Interconnection Requests from the previous Phase I Interconnection Study. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect <u>in order to achieve Commercial Operation status for</u> the Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities, (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Generating Facility are completed and placed into service.</p>
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<p>Appendix Y 12.3.2</p>		<p>12.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities Upon the Commercial Operation Date of a Generating Facility that is not a Phased Generating Facility, <u>unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment</u>, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades in accordance with its cost responsibility assigned under GIP Sections 7.3 and 7.4. Such amount shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Generating Facility's Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the Commercial Operation Date. Instead of direct payments, the Interconnection Customer may elect to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with the CAISO Tariff Section 36.11 associated with the Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.</p> <p>12.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities Upon the Commercial Operation Date of each phase of a Phased Generating Facility, <u>unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment</u>, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase in California Independent System Operator Corporation Fifth Replacement Electronic Tariff July 1, 2013 accordance with the Interconnection Customer's cost responsibility assigned for the phase under GIP Sections 7.3 and 7.4 if all of the following conditions are satisfied:</p> <ul style="list-style-type: none"> (a) The Generating Facility is capable of being constructed in phases; (b) The Generating Facility is specified in the GIA as being constructed in phases; (c) The completed phase corresponds to one of the phases specified in the GIA; (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA; (e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA; (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Interconnection Financial Security instruments to the date of commencement of repayment).
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<p>Appendix CC 5.9</p>	<p>Edits proposed by PG&E to clarify the scope of a Limited Operation Study. This clarifies that the scope includes anything that is prior to COD.</p>	<p>If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades <u>Commercial Operation</u>, consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and CAISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.</p>
<p>Appendix DD Section 3.7</p>		<p>3.7 Coordination With Affected Systems</p> <p>The CAISO will notify the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Group Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIDAP. The CAISO will include such Affected System Operators in all meetings held with the Interconnection Customer as required by this GIDAP. The Interconnection Customer will cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO's identification to Interconnection Customer's name, Generating Facility project name, and release of information which the Interconnection Customer provided as part of its Interconnection Request to the Affected System, participating in any coordinating activities and communications undertaken by the Affected System or CAISO, signing separate study agreements with Affected System owners and paying for necessary studies. An entity which may be an Affected System shall cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems. <u>[PG&E opposes removal of this sentence]</u></p>

<p>Appendix DD Section 14.3.2</p>		<p>14.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities Upon the Commercial Operation Date of a Generating Facility that is not a Phased Generating Facility, <u>unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment.</u> the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades as follows. For RNUs, in accordance with the Interconnection Customer's cost responsibility assigned, up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA. For LDNUs, except for LDNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's assigned cost responsibility. Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for LDNUs or ADNUs. Such repayment amount shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Generating Facility's Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the Commercial Operation Date. For Network Upgrades for which the Interconnection Customer did not receive repayment, the Interconnection Customer will be eligible to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with the CAISO Tariff Section 36.11 associated with the Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.</p> <p>14.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities Upon the Commercial Operation Date of each phase of a Phased Generating Facility, <u>unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment.</u> the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase in accordance with the Interconnection Customer's cost responsibility assigned for the phase and subject to the limitations specified in Section 14.3.2.1, if all of the following conditions are satisfied:</p> <ul style="list-style-type: none"> (a) The Generating Facility is capable of being constructed in phases; (b) The Generating Facility is specified in the GIA as being constructed in phases; (c) The completed phase corresponds to one of the phases specified in the GIA; (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA; (e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA; (f) The Network Upgrades necessary for the completed phase to meet the desired level of Deliverability are in service; and (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Interconnection
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<p>Appendix EE Section 11.4</p>		<p>11.4 Transmission Credits. No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer per Article 11.4.1.</p>
<p>Appendix FF Section 5.3</p>		<p>5.3 Transmission Credits No later than thirty (30) calendar days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 5.3.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer per Article 5.3.1.</p>