

Stakeholder Comments Template

Generator Interconnection Driven Network Upgrade Cost Recovery Initiative

Submitted by	Company	Date Submitted
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Draft Final Proposal

This template has been created for submission of stakeholder comments on the draft final proposal for the Generator Interconnection Driven Network Upgrade Cost Recovery initiative that was posted on February 6, 2017. The proposal and other information related to this initiative may be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/GeneratorInterconnectionDrivenNetworkUpgradeCostRecovery.aspx> .

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **February 22, 2017**.

⇒ Do you support the California ISO's draft final proposal for the Generator Interconnection Driven Network Upgrade Cost Recovery initiative? Yes or No. Why?

SCE appreciates this opportunity to comment as well as the CAISO's efforts that led to the development of the final draft proposal. Consistent with its comments on prior proposals, Southern California Edison (SCE) continues to believe that the current approach to interconnection, payment, cost allocation, and cost recovery is not materially flawed. Given the CAISO's intention to file tariff revisions with FERC, SCE agrees that the CAISO's draft final proposal narrowly addresses situations(s) where a very small Participating Transmission Owners (PTO), such as Valley Electric Association (VEA), is confronted with a significant increase in its local transmission access charge (TAC), without a corresponding need to procure the output of the generators interconnecting to its low-voltage system. SCE supports the establishment of eligibility criteria, including a specific size threshold that the PTO's filed annual gross load be 2 million MWh or less, to determine on a case-by-case basis whether a small PTO would qualify for unique treatment regarding the recovery of costs associated with generator interconnection driven low-voltage network upgrades. Additionally, SCE agrees with the proposed provision that "if VEA's or a similar PTO's situation changes such that it fails to meet any one of the three principles it would no longer qualify for this TAC rate treatment. At that time, any low-voltage network costs stemming from new generator interconnections, as well as any as-yet unrecovered low-voltage costs would be applied to the PTO's low-voltage TAC rate."¹

¹. CAISO's Generator Interconnection Driven Network Upgrade Cost Recovery Draft Final Proposal, p. 7.

SCE also supports the proposal to require interconnection customers to annually certify that they continue to meet the three eligibility criteria in order to receive the unique TAC rate treatment

Concerning cost allocation, consistent with SCE's comments submitted December 16, 2016, SCE continues to support alternative options in lieu of allocation to the high-voltage (regional) TAC, or applying alternative mechanisms to mitigate rate shock².

² <http://www.caiso.com/Documents/SCEComments-GeneratorInterconnectionDrivenNetworkUpgradeCostRecovery-SecondRevisedStrawProposal.pdf> . Specifically, "...SCE offered two other alternatives for the cost treatment. First, address rate shock by extending the time period over which generation is reimbursed for LV network upgrades. The second option, was to apply existing principles under which generation is not reimbursed in full if costs exceed a threshold."