



**SDG&E’s Comments on CAISO’s March 23, 2015
“Interconnection Process Enhancements (IPE) 2015, Issue Paper/Straw Proposal”**

Submitted By	Company or Entity	Date Submitted
Dean Kinports 858-6543-8679	SDG&E	April 10, 2015

SDG&E is supportive of the CAISO’s efforts and looks forward to participating in the continuing development of the identified market enhancements. Below are some recommendations that SDG&E believes will further clarify and streamline the interconnection process.

Topic 1 - Affected Systems

In previous stakeholder discussions, SDG&E has suggested that the CAISO explore the feasibility of entering into bilateral agreements with Affected Systems in order that a fair and contractually enforceable balance of rights and obligations are established for both the CAISO and Affected Systems. As it stands today, the CAISO tariff places binding obligations on generators seeking interconnection within the CAISO Balancing Authority, but, in general, there are no reciprocal obligations for generators seeking interconnection within Affected Systems’ balancing authorities.

The tariff changes proposed by the CAISO in its March 23, 2015, proposal do not remedy the existing imbalance. Tariff section 3.7 states in several places that Affected Systems “shall” take certain actions with respect to the CAISO. However, there is no way – absent a bilateral agreement – for the CAISO to obligate Affected Systems that are not subject to the CAISO tariff (e.g., most municipal utilities) to abide by the terms of the CAISO tariff. SDG&E believes the use of the term “shall” in section 3.7 is inoperable and should be revised to give transparency to the limitations of the CAISO tariff as regards the obligations of Affected Systems. In addition, SDG&E suggests some edits to clarify confusing language.

Suggested edits to the language of section 3.7 are set forth below.

“3.7 Coordination With Affected Systems

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. Such cooperation includes including 1) providing consent to CAISO’s releasing to the Affected System the identification to (i) Interconnection Customer’s name, (ii) Generating Facility project name, and (iii) release of information which the Interconnection Customer provided as part of its Interconnection Request to the Affected System, and 2) participating in any coordinating activities and communications undertaken by the Affected System or CAISO. The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer’s Interconnection Request or Group Study, within thirty (30) calendar days after determining which projects in each study cluster have posted their initial Interconnection Financial Security. Within thirty (30) calendar days of notification from the CAISO, the Affected System Operator ~~shall~~ is expected to advise the CAISO in writing that either: 1) the CAISO should consider the electric system to be an Identified Affected System; or 2) the electric system is not an Affected System. If the electrical system operator does not make an affirmative representation within thirty (30) calendar days of notification, the CAISO will assume that the electric system is not an Affected System. If an electric system operator comes forward after the established timeline as an Affected System, any mitigation ~~required for a project~~ identified by the Affected System will not, under the terms of the CAISO tariff, be the responsibility of the ~~Affected System and not the CAISO,~~ the Participating Transmission Owner(s), or the Interconnection Customer. If required by the Identified Affected System, the Interconnection Customer will sign separate study agreements with Identified Affected System owners and pay for necessary studies. An entity which may be an Identified Affected

System ~~shall~~ is expected to cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Identified Affected Systems.

Appendix A Master Definition Supplement

- Identified Affected System

An Affected System operator who either stated that it should be considered an Affected System or whose electric system has been identified by the CAISO as potentially impacted by a generator interconnection through the applicable study process.”

Topic 2 - Time-In-Queue Limitations

The CAISO’s proposal regarding time-in-queue limitations references the defined term “Generating Facilities.” SDG&E’s understanding is that the defined term “Generating Facilities” does not include all generation-tie line facilities. Accordingly, SDG&E suggests that the CAISO clarify whether the proposed generating project viability criteria for In-service Date (ISD) or Commercial Operation Date (COD) extensions beyond the 7/10 year thresholds includes governmental permits or authorizations for generation-tie line facilities that are the responsibility of the Interconnection Customer. SDG&E recommends that the viability criteria include such generation tie-line facilities since there are instances where these facilities are the most difficult to permit. The term “Generating Facility” appears in the proposed tariff language for sections 1.3.3.1 and 1.3.3.2 of Appendix S, for sections 3.5.1.1 and 3.5.1.2 of Appendix U, sections 3.5.1.4.1 and 3.5.1.4.2 of Appendix Y, and sections 3.5.1.4.1 and 3.5.1.4.2 of Appendix DD.

Topic 3 – Negotiation of Generator Interconnection Agreements

SDG&E suggests adding clarifying language to Section 13.1.1 of Appendix DD (and the other applicable appendices) to emphasize that tendering of the draft GIA occurs only after the final interconnection study (Phase II, System Impact, Facilities) report is issued.

13.1 Tender

13.1.1

After the final interconnection study report is issued, the applicable Participating TO shall tender a draft GIA, together with draft appendices, to the CAISO and

Interconnection Customer no later than the sum of (i) 150 Calendar Days and (ii) the estimated time to construct the Interconnection Facilities and Network Upgrades indicated in the applicable study report, prior to the In-Service Date...”

Topic 6 – Allowable Modifications Between Phase I and Phase II Study Results

SDG&E suggest a slight modification to the proposed edits to Appendix B to Appendix 3 GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT FOR QUEUE CLUSTERS and Appendix B to Appendix 6 INDEPENDENT STUDY PROCESS STUDY AGREEMENT FOR QUEUE CLUSTERS:

Modify Appendix B to Appendix 3 GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT FOR QUEUE CLUSTERS as follows:

Point of Interconnection: _____

Other Modification: _____

(Change these two date descriptions to align with the original IR and RIMS)

~~Generator stop up transformer receives back feed power~~ In-Service Date:

~~Generation Testing Trial Operation Date~~ commencement:

Modify Appendix B to Appendix 6 Independent Study Process Study Agreement as follows:

Point of Interconnection: _____

Other Modification: _____

(Change these two date descriptions to align with the original IR and RIMS)

~~Generator stop up transformer receives back feed power~~ In-Service Date:

~~Generation Testing Trial Operation Date~~ commencement:

Per the CAISO’s Appendix A, Master Definition Supplement, Trial Operation is defined as a “period during which Interconnection Customer is engaged in on-site test operations and commissioning of a Generating Unit prior to Commercial Operation.” SDG&E believes the intent of requesting this information is to establish the date the Trial Operation period will commence, thus, it is more accurate to request “Trial Operation commencement.”

Topic 8 - Generator Interconnection Agreement Insurance

SDG&E suggests edits to clarify language in section 18.3 as set forth below.

SDG&E recommends that the CAISO include the language, “only with respect to this LGIA”, or “as its interest may appear in this LGIA.” Wherever the requirement for the CAISO and TO to be named additional insured appears.

Section 18.3.1 and 18.3.2 both outline a 30-day requirement to furnish proof of insurance, prior to work commencing. SDG&E recommends this be taken out of the coverage-specific paragraphs and included in an overarching section, or in 18.3.8, to eliminate duplicity and confusion.

For Section 18.3.6, SDG&E recommends striking the following verbiage to prevent erosion from other claims:

“and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered.”

For 18.3.11, SDG&E recommends either removing the section in its entirety, or at a minimum, keeping the last five words (removing proposed strike): arising out of this LGIA. This change will remove any confusion and ensure that any reporting of incidents is only applicable to the context of the LGIA.