

Stakeholder Comments Template

Subject: Generator Interconnection Procedures Straw Proposal and Meeting

Submitted by	Company	Date Submitted
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SDG&E's Comments

SDG&E appreciates the opportunity to comment on the CAISO's Generator Interconnection Procedures Straw Proposal. Preliminarily, SDG&E suggests the CAISO abandon Cluster 3 and move directly to the proposed Cluster 4, which will be the first Cluster after the revised tariff is in effect. SDG&E believes keeping Cluster 3 adds unnecessary complexity in transitioning to a clean slate after the new tariff is in place. With this general concern in mind, SDG&E turns the specific questions posed in the template.

[Proposed Independent Study Process](#)

1. Do you think that the proposed independent study process criteria are appropriate?

SDG&E believes that the ISP should apply to all projects who qualify, and thus disagrees with the Straw Proposal's characterization that the "Independent Study Process will apply to a very limited number of qualified projects". SDG&E suggests the CAISO delete this predisposed statement in the last sentence of the first paragraph.

SDG&E agrees with majority of the proposed criteria to qualify for the ISP. However, SDG&E disagrees with the criteria outlined in section 6.1 d). As outlined in the Straw Proposal, 6.1d) would require a prospective project to have completed all regulatory approvals and permits needed to begin construction, or reasonable demonstration of expectation that the approvals/permits will be obtained before the end of the annual

cycle. SDG&E believes it is unreasonable to expect that a project can have all its permits/approvals prior to start of (let alone the completion of) the interconnection study. These permits are obtained coincident with the interconnection study. The CAISO expressed a willingness to soften this requirement at the recent stakeholder meeting. SDG&E, suggests the CAISO revise 6.1d) to say “The IC is able to provide all approvals/permits or reasonable demonstration of expectation that the approvals/permits will be obtained at the time of completion of the Independent Study. At the PTOs request, the IC must provide evidence that the IC is progressing towards obtaining regulatory approval and permitting necessary to begin construction, or that it reasonably expects to get these (approvals/permits) before the end of the study process (e.g., per an approved timeline for obtaining those approvals/permits);

Additionally, SDG&E disagrees with criteria 6.1g), which would require financing/security posting criteria, and proposes that this criteria should be joined as an “or” with the 6.1c) executed PPA contract criteria. SDG&E suggests this criteria be revised to state that the IC should be required to demonstrate the 6.1c) executed PPA contract criteria, or to demonstrate adequate financing to make the security postings as described in this criteria, otherwise the project is unlikely to need an expedited study.

2. How should the proposed independent study process be specifically modified to incorporate desired features that are in the current SGIP serial process?

SDG&E suggests the Independent Study Process contain a provision for the System Impact and Interconnection Facility Studies similar to those in the current SGIP. The Feasibility study should not be required.

3. How can the independent study criteria be modified to allow PTOs to utilize this process if they do not have a backlog and waiting for the cluster window does not make sense?

The conditions described for ISP should be required when there are other projects in the same cluster. When there is only one small project in a cluster then it can be studied as a serial process without meeting all the ISP criteria.

Additionally, regarding queue cluster winding and validation, the language proposing one queue cluster window (open for two (2) months) appears to limit the ability for developers to submit IRs. Projects that *intend to* qualify for the Independent Study Process are not restricted to the two-month queue cluster window period. It should be clarified that the ISO will accept and evaluate IRs for projects throughout all twelve months of every year that *intend to* qualify for the Independent Study Process. Projects that *do not intend to* qualify for the Independent Study Process can only be submitted during the two open months of the annual queue cluster window.

IRs submitted during the two-month queue cluster window that do not qualify for the Independent Study Process will automatically remain and be studied in a cluster along with other IRs submitted in the current two-month queue cluster window.

IRs submitted during the other ten (10) months of the year (submitted outside the two-month queue cluster window) that do not qualify for the Independent Study Process will be withdrawn, or at the ICs request be held for consideration until the next open two-month queue cluster window is opened.

4. What pre-application information and guidance is needed to prequalify projects so that the process is not overwhelmed with applications?

The current technical data required by the IR form contained in the LGIP (Appendix 1) needs to be modified to require the IC to also provide an EPC file for modeling the project in the dynamic data file for transient studies.

If the GIP study process time is shortened to one year, GIP should not allow for Change in Deliverability Status. If such changes will impact other projects, then changes should be allowed only based upon whether or not the change represents a Material Modifications. Material Modifications should not be allowed – no increases in project size/electrical output, no change in fuel source.

5. How much “ISO and PTO judgment” should be allowed in qualifying projects and how should it be delineated?

SDG&E believes that subjective ISO and PTO judgment is not an issue if the criteria outlined in 6.1a) Objective COD demonstration, 6.1b) electrically independent, 6.1c) executed PPA contract, 6.1e) generating equipment purchase order, and 6.1f) Site Exclusivity, are applied correctly. When a project meets these criteria there is no need for judgment. However, if there is a case that engineering judgment is needed since CAISO is an unbiased (Independent) entity, a collaborative decision by CAISO and PTO should be acceptable.

If in CAISO and PTO judgment an Interconnection Request project is reasonably isolated, and will not impact the same transmission facilities as the rest of the projects in their cluster window, the project can proceed to be studied outside the cluster study process as a “cluster of one”, in the ISP.

CAISO and PTO will evaluate the projects based on their point of interconnection on the grid. A project that is reasonably isolated/located electrically remote from other projects in the same cluster window, and does not have impact on the same transmission facilities with other projects in that cluster, may qualify for Independent Study process if it meets the above listed criteria.

6. What would be sufficient transparency into the ISO and PTO judgment process in qualifying projects and how would that be provided?

The CAISO/PTO evaluation of a project and their thought processes and reasoning is transparent to the IC. Outside of that, there is no transparency allowed or required. If CAISO/PTO reasoning is acceptable to the IC then there is no issue. In cases where there are disagreements between the IC and CAISO/PTO, the tariff provides for dispute resolution.

SDG&E notes that the nature of the GIP requires confidentiality, so SDG&E is perplexed by this question about transparency.

7. If the proposed independent study process is included in the final proposal, is there still a need for the current LGIP Phase II accelerated study process? (CAISO Tariff Appendix Y Section 7.6)

SDG&E believes the current LGIP Phase II accelerated study process ([CAISO Tariff Appendix Y Section 7.6](#)) is still needed, because there may be a project that by the end of Phase I can show the need for expeditious processing to facilitate their project development.

Proposed Study Deposit Amounts

Are the proposed study deposit amounts appropriate, if not please explain?

For projects less than 20 MW or less requesting Energy Only Deliverability Status, please explain why after 30 *calendar* days following the scoping meeting is it necessary to refund the larger of the actual study costs or ½ of the original deposit ? Why not just refund the actual costs?

Similarly, for projects greater than 20 MW or 20 MW or less requesting Energy Only Deliverability Status, please explain why after 30 *calendar* days following the scoping meeting is it necessary to refund the larger of the actual study costs or ½ of the original deposit ? Why not just refund the actual costs?

Additionally, SDG&E recommends the current processing fee and deposit requirements for Fast Track projects of less than 2 MW should be revised to reflect an initial IR processing fee of \$1,000, and a study deposit of \$5,000.

Proposed Cluster Study Process

Do the proposed timelines for the cluster study process seem reasonable? Please add explanations for both yes or no responses?

As outlined above, SDG&E suggests the CAISO abandon the currently scheduled Cluster 3 process and move directly to the proposed Cluster 4. SDG&E believes keeping Cluster 3 adds unnecessary complexity when transitioning from the current LGIP/SGIP to the proposed GIP process.

In addition, SDG&E suggests the following modifications to **Table 4.1** of the Straw Proposal make this timeline reasonable.

- **Line 2:** PTOs develop Draft Base Cases **15** Calendar Days
 The time allotted for the base case development (10 CD) is not sufficient. This should be increased to at least two weeks, and this estimate assumes the comments from neighboring utilities come in an expeditious manner.
- **Line 7:** PTO performs Load Flow, Transient & Stability, mitigation identification, & submits draft study results to CAISO **30** Calendar Days
 It is unreasonable to assume that this all this analysis could be performed in 10 days.
- **Line 8:** PTO develops mitigation plans **15** Calendar Days
 One more week is needed to complete the development of mitigation plans
- **Line 15:** PTOs prepare cost estimates **56** Calendar Days
 Eight weeks is sufficient time to prepare cost estimates and schedules
- **Line 20 :** Final Study Report issued Total= **159** Calendar Days
(Approximately 23 weeks)

[Coordinating generator interconnections with the transmission planning process](#)
 Do you support the concept of coordinating the proposed generator interconnection process with the transmission planning process, why or why not?

Not entirely. The study assumptions for these two processes are different and if forced to be coordinated yield different results. Generation Interconnection studies evaluate what is required of the transmission system and what facilities are required to safely and reliably interconnect the proposed generation.

Beyond that, in the current tariff filing for RTPP, CAISO has included that a project coming out of LGIP process with voltages 230 kV or above and cost over \$100MM should go through the transmission planning process for validation. SDG&E agrees as long as there is reasonable alignment with the study assumptions for the two studies.

Deliverability Assessments

1. [What are your thoughts on the proposed alternatives for deliverability assessments?](#)

SDG&E believes the proposed alternatives are not mutually exclusive, and both are needed, with some modifications/adjustments, to bring the process up to date with the new revised tariff.

Additionally, SDG&E appreciates the CAISO's willingness to find a solution for existing, operational energy only resources desiring deliverability assessments to become RA eligible. However, SDG&E believes a distinction should be drawn between transmission level interconnects and distribution level interconnects. Regarding the latter, SDG&E interprets the recent proposed decision in the CPUC's 2011 Resource Adequacy proceeding (R.09-10-032) to grant RA eligibility to resources connected to the distribution system so long as the IOU, and not the CAISO, performs a deliverability assessment that is accepted by the CAISO. Once accepted, the resources are deliverable up to 100% of the NQC. In any event, SDG&E believes it is possible to craft a very narrow exception to the deliverability assessment requirement for a certain class of resources that meet specific criteria. The criteria could include: 1) that the resource is interconnected to the distribution system, 2) is under 5MW, and 3) is sized and designed to primarily serve a particular location's on-site load. If resource meets the criteria, it should be deemed deliverable for the purposes of satisfying CAISO tariff section 40.4.6.1. As the CAISO has noted, the deliverability assessment is designed to specifically evaluate whether there is sufficient system capacity to deliver a resource's output to serve system load under peak conditions. In the case of the above described resources, SDG&E believes the CAISO should waive the need for a deliverability assessment because there is little or no probability that resources meeting the criteria will be unable to serve their on-site load during peak hours of the year.

2. What adjustments should be made to each alternative?

See above.

Proposed Transition Plan

1. Do you think that the proposed transition plan is reasonable for LGIP projects?
2. Do you think that the proposed transition plan is reasonable for SGIP projects?
3. Do you have any comments on the proposed dates for grandfathering projects in queue and migration of new projects and in queue projects into the proposed cluster process?

Do you have any additional comments that you would like to provide?

SDG&E suggests the following correction to in last sentence of the first Introduction paragraph:

The overall study process includes the following five steps for facilitate interconnection to the ISO controlled grid. (1) ~~h~~Interconnection ~~e~~Customer (IC) submission of the ~~h~~Interconnection ~~application~~Request (IR),

SDG&E suggests using defined terms “Interconnection Customer” and “Interconnection Request” from the current ISO Tariff, contained within Appendix A (Master Definitions Supplement).

Under section 4.2 Queue Cluster Window and Validation

First paragraph: SDG&E suggests consistent use of either **Calendar Days** (preferred) or **Business Days** for deadlines in the new GIP, but not both (i.e. use 14 calendar days instead of 10 business days).

Under section 4.3.4 Site Exclusivity

Are the Site Exclusivity deposits proposed to be refundable or non-refundable?

Site exclusivity should be required at Phase II stage in the GIP, no deposit in lieu of Site Exclusivity.

Under section 6.1 Criteria

Typo in last sentence: “it is possible to have a determination that the project may not safely and reliably be interconnected in which case the project must be studied under **a the GIP (not fast-track)** study process.”

OTHER:

- Increases to MW size allowed as long as there are not material impacts to other projects in the Queue.
- The ISO shall prepare and record minutes from Scoping Meeting, verified by the Interconnection Customer and other attendees, that will include at a minimum, discussions among the IC, the applicable Participating TO(s) and the ISO. Initial Draft of meeting minutes to be circulated within 3 days to IC and PTO for edits/comments before minutes are finalized.
- The ISO shall prepare and record minutes from Results Meeting(s), verified by the Interconnection Customer and other attendees, that will include at a minimum, discussions among the IC, the applicable Participating TO(s) and the ISO. Initial Draft of meeting minutes to be circulated within 3 days to IC and PTO for edits/comments before minutes are finalized.