

SDG&E Comments

Subject: Small and Large Generator Interconnection Procedures Draft Tariff Language

Submitted by	Company	Date Submitted
<i>Mariam Mirzadeh (858)654-1673</i> MMirzadeh@semprautilities.com	SDG&E	10/7/2010
<i>Rodney Winter (858) 654-1799</i> RWinter@semprautilities.com		

SDG&E's Overall Assessment of the CAISO Proposed Tariff language:

After much diligent effort over the past nine months by the CAISO and the stakeholders to identify needed modifications to the Small and Large Generator Interconnection Procedures, SDG&E is perplexed as to why only one week was given to review the tariff language, the final product in words that represents the changes to the generation interconnection procedures that the PTOs are to implement.

Because the CAISO Draft Tariff Language proposes procedural changes that are brand new/not contemplated or introduced during the stakeholder process over past nine months, or that need clarification, SDG&E would recommend the CAISO should schedule a one-day turn-page review meeting with the three PTOs. The purpose of the meeting would not be for "word-smithing" the Draft Tariffs, but would allow the CAISO to explain and clarify some of the tariff language that represents a departure from the CASIO proposal approved by the CAISO Board in September.

CAISO has completely overhauled the procedures for the study processes as far as the distinction between Large and Small is concerned but any needed revision to the proforma Agreements have not been addressed yet. Should now there be just one **GIA**?

Section 1.2.2: Special Definition for the GIP

SDG&E proposes the modification to the fourth paragraph as:

“Fast Track Process” shall mean the procedure for evaluating an Interconnection Request for a certified **Small** Generating Facility no larger than 5 MW that includes the GIP Section 5.3 screens, customer options meeting, and optional supplemental review.

Section 2.3: Interconnection Base Case Data

Interconnection Base Case Data shall **not** include information subject to the confidentiality provisions in GIP Section 13.1

Although the draft tariff requires not including the projects’ confidential information but following this direction means no dynamic data will be provided.

The Dynamic Base Case Data includes information that is confidential, such as a generator’s parameters related to the technology which is included in the dynamic data file. The ISO required SDG&E to sign NDA in order to exchange base case data. SDG&E is also required to upload Base Case Data to the ISO’s non-public secure web-site.

The discussion under 2.3 about what projects will be included seems too wordy. Could that be simplified by referring to the queue and the study process time line which identifies which projects will be included?

Section 2.4.3: The Interconnection Studies

The Phase I and Phase II Interconnection Studies for Queue Cluster Generating Facilities will also identify Delivery Network Upgrades for all projects, including those going through the ISP, to allow the full output of a Generating Facility selecting Full Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in GIP Section 6.5.2.

Section 3.1: General

If the Interconnection Customer has submitted multiple Interconnection Requests for the same site, then within (10) Business Days after the Scoping Meeting, the Interconnection Customer must chose **and identify in writing to the CAISO** a single Interconnection Request for that site to continue in the interconnection process and all other requests **submitted for that same site** will be deemed withdrawn. The IC choice must be documented.

Also Section 3.1 should be sub-divided into two sections. Section 3.1.1 will be the section as written with the above changes. Section 3.1.2 should address interconnections to jointly-owned facilities.

The new Section 3.1.2 CAISO should address interconnection to "Jointly Owned" facilities such as SWPL, where the other two participants are in a Balancing Authority other than CAISO.

3.3.1 Timing for Submitting Interconnection Requests in Queue Cluster

During the stakeholder process, the discussion was that there would be one (1) Cluster Application Window annually. Why now is the CAISO referring to two (2) cluster windows? Does no study activity (other than maybe IR review and Scoping Meetings)

occur between the two Cluster Application Windows? Why is this second window necessary?

This seems to add unnecessary additional administrative burden and a six-month dead period for the IRs submitted in the first of the two Cluster Application Windows.

3.5.2.1 Acknowledgment of Interconnection Request.

The CAISO shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the **completed** Interconnection Request is deemed **complete**, valid and ready to be studied.

SDG&E inserted highlighted text.

3.6 Internet Posting

The CAISO will maintain on the CAISO Website a list of all Interconnection Requests. The list will **be updated on a monthly basis or ten (10) Business Days after receiving any changes to an interconnection request and** identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location

The CASIO Queue should be updated regularly and consistently. SDG&E inserts language to suggest that the Queue should updated on a monthly basis, in order to provide the most updated information to developers.

3.7 Coordination With Affected Systems

SDG&E inserts the following paragraph at the end of the section:

If the Interconnection Request requires Network Upgrades on the Affected System the CAISO will ensure such provisions for such upgrades are contained and accounted for in the terms and conditions of the Generator Interconnection Agreement.

SDG&E inserted highlighted text.

4.1 Criteria for Independent Study Process Eligibility

4.1.1

- (ii) The Interconnection Customer is able to provide, or has demonstrated the ability to obtain, a purchase order for generating equipment specific to the proposed Generating Facility, or a statement signed by an officer or authorized agent of the Interconnection Customer demonstrating that the **Developer** has a commitment for the supply of its major generating equipment in time to meet the Commercial Operation Date through a purchase agreement to which the Interconnection Customer is a party;

4.1.4 The CAISO will inform an Interconnection Customer whether it has satisfied the requirements set forth in Sections 4.1.1 and 4.1.2 of the GIP within **ten (10) fifteen (15)** Business Days of receiving the Interconnection Request.

4.1.5 The CAISO will inform an Interconnection Customer whether it has satisfied the requirement that it be electrically independent of other Interconnection Requests, pursuant to Section 4.2 of the GIP, within fifteen (15) Business Days of receiving the Interconnection Request.

The ISO should inform the IC of these 4.1.1 and 4.1.2 requirements within the same amount of time as the 4.2 requirements. There is no need for this amount of time to be different and no need for the CAISO to provide two notifications. There should be one IR notification to the IC, not two

- 4.1.6 At the IC's option, any Interconnection Request that does not satisfy the criteria set forth in Sections 4.1.1, 4.1.2, and 4.1.3 of the GIP the CAISO shall hold the IR and study deposit until the next open cluster window. If the IC does not elect to have the ISO hold the IR, the IR shall be deemed withdrawn, without prejudice to the Interconnection Customer submitting a request at a later date.

As discussed during the stakeholder meetings, if the IR does not satisfy the ISP criteria, the IC should be allowed to opt to have the CAISO hold onto the IR until the next open Cluster Application Window.

4.2.1 Flow Impact Test

The CAISO, in coordination with the applicable Participating TO(s), will perform the flow impact test for each Interconnection Request requesting to be processed under the Independent Study Process as follows:

4.3 Scoping Meeting

Within five (5) Business Days after the CAISO notifies the Interconnection Customer if the Generating Facility associated with its Interconnection Request has satisfied the independence test set forth in GIP Section 4.2, the CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. With input from the Participating TO the CAISO shall evaluate whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, if such is the case, the CAISO shall invite the affected Participating TO(s) and/or Affected System Operator(s), in accordance with GIP Section 3.7, to the Scoping Meeting by informing such third parties, as soon as practicable, of the time and place of the scheduled Scoping Meeting.
SDG&E inserted highlighted text.

4.4 System Impact Study

- 4.4.5 If requested by the Interconnection Customer, a Results Meeting shall be held among the CAISO, the applicable Participating TO(s), and the Interconnection Customer to discuss the results of the system impact study report, including assigned cost responsibility. The CAISO shall prepare minutes from the meeting. Any such Results Meeting will be held within 20 Business Days of the date the system impact study report is provided to the Interconnection Customer.

SDG&E inserted highlighted text.

4.5 Facilities Study

- 4.5.4 If requested by the Interconnection Customer, a Results Meeting shall be held among the CAISO, the applicable Participating TO(s), and the Interconnection Customer to discuss the results of the facilities study report, including assigned cost responsibility. The CAISO shall prepare minutes from the meeting. Any such Results Meeting will be held

within 20 Business Days of the date the facilities study report is provided to the Interconnection Customer.

SDG&E inserted highlighted text.

4.6 Deliverability Assessment

Interconnection Requests under the Independent Study Process that request Full Capacity Deliverability will have a Deliverability Assessment performed as part of the next scheduled Phase I and Phase II Interconnection Studies for Queue Clusters. If the Deliverability Assessment identifies any Delivery Network Upgrades that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Upgrades, pursuant to Sections 6 and 7 of this GIP. If the Generating Facility achieves its Commercial Operation Date before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are in service, the proposed Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such Delivery Network upgrades are in service.

Section 5 addresses the Fast Track that only applies to projects up to 5 MW, so the size is defined. The **“Small Generating Facility”** should be changed to **“Generating Facility”** from the verbiage under 5.4, 5.5.1, and 5.5.1.3

5.4 Customer Options Meeting

If the CAISO and Participating TO determines the Interconnection Request cannot be approved without modifications at minimal cost; or a supplemental study or other additional studies or actions; or at...

Corrected typo error.

5.5 Supplemental Review

5.5.1.1 If so, then, within ~~five (5)~~ **fifteen (15)** Business Days of such a determination, the Participating TO shall forward an **Generator Interconnection Agreement (GIA)** to the Interconnection Customer for execution.

5.5.1.2 If so, and Interconnection Customer facility modifications are required to allow the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards, the Participating TO shall forward an **Generator Interconnection Agreement (GIA)** for execution to the Interconnection Customer within ~~five (5)~~ **fifteen (15)** Business Days after confirmation that the Interconnection Customer has agreed to pay for the identified modifications to the Participating TO's electric system.

5.5.1.3 If so, and modifications to the Participating TO's electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards, the Participating TO shall forward an **Generator Interconnection Agreement (GIA)** for execution to the Interconnection Customer within ~~ten (10)~~ **fifteen (15)** Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.

Five (5) Business Days or ten (10) Business Days is not sufficient. It does not provide enough time to prepare and forward a Generation Interconnection Agreement to the IC, especially if the CASIO intends to use the same detailed agreement document as is used for the GIP and ISP for the Fast Track projects. SDG&E proposes fifteen (15) Business Days.

Also, it is not clear if the CAISO intends to use the same pro-forma GIA for Fast Track projects as used for GIP and ISP projects. This should be clarified and the same “GIA” acronym used.

6.1 Generator Interconnection Study Process Agreement

Within thirty (30) calendar days of the close of **the (?)** Cluster Application Window, the CAISO shall provide to each Interconnection Customer with a valid Interconnection Request received during the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement in the form set forth in Appendix 3 of this GIP.

Section 3.3.1 indicates there are two (2) Cluster Application Windows - so the word “the” is incorrect – which Cluster Application Window is being referred to here?

6.2 Scoping Meeting

Within five (5) Business Days after the CAISO notifies the Interconnection Customer of a **completed** Interconnection Request that is **complete**, valid and ready for study, the CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) calendar days after the close of **the (?)** Cluster Application Window, unless otherwise mutually agreed upon by the Parties.

SDG&E inserted highlighted text.

Also, if there are two (2) Application Cluster Windows, - so the word “the” is incorrect – which one is this referring to here?

6.6 Use Of Per Unit Costs To Estimate Network Upgrade Costs

Prior to adoption and publication of final per unit costs for use in the Interconnection Study Cycle, the CAISO shall publish to the CAISO Website draft per unit costs, including non-confidential information regarding the bases therefore, to address the draft per unit costs, and permit stakeholders to provide comments on the draft per unit costs. A schedule for the release and review of per unit costs is set forth in Appendix 5 of this GIP.

The Stakeholder meeting is not necessary. The CAISO stakeholder meeting was not held in 2010. Posting on web and taking stakeholder comments is enough. The PTO unit cost estimates are not negotiable and will not be changed by stakeholder comments. The meeting is most likely for describing the method of calculation which can be accomplished through a conf call.

6.8 Phase I Interconnection Study Procedures

The CAISO shall use Reasonable Efforts to commence the Phase I Interconnection Study by June 1 of each year, and to complete and publish to Interconnection Customers the Phase I Interconnection Study report within one hundred thirty-four (134) days after the annual commencement of the Phase I Interconnection Study

If the first Cluster Application Window closes on November 15 of the prior year, then why must the IR sit idle for six (6) months before the study begins in June?

6.9 Phase I Interconnection Study Results Meeting

The CAISO shall prepare minutes from the meetings, and provide the Interconnection Customer and the other attendees an opportunity to confirm the accuracy thereof.

SDG&E inserted highlighted text.

7.1 Scope Of Phase II Interconnection Study

Within five (5) Business Days following the Phase I Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

SDG&E inserted highlighted text.

7.7 Phase II Results Meeting With The CAISO And Applicable Participating TO(s)

SDG&E inserted highlighted text.

9.2 Initial Posting Of Interconnection Financial Security

First, each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster or Small Generator Interconnection Customers in the Independent Study Process shall post an Interconnection Financial Security instrument in an amount equal to the lesser of...

SDG&E deleted highlighted text.

Notwithstanding the foregoing, if the costs of the actual estimated Network Upgrades are less than the minimum posting amounts set forth above, the posting amount required will be equal to the actual estimated Network Upgrade amount.

It is unclear what the term "actual estimated" means. Are they actual costs or are they estimated costs?

Section 11 Generator Interconnection Agreement (GIA)

It is not clear whether or not this same GIA will be used for the Fast Track projects? If so, the same acronym should be used the Fast Track text and additional time should be allocated for the Fast Track GIA negotiations.

Appendix 5 Schedule for Release and Review of Per Unit Costs

15.	CAISO to schedule and conduct a one-day stakeholder meeting in February to discuss the posted per unit costs with stakeholders.	Second week of February
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The CAISO stakeholder meeting was not held in 2010. The Stakeholder meeting is not necessary. Posting unit costs on the CAISO web page and taking stakeholder comments is enough. The PTO unit cost estimates are not changed by stakeholder comments.

Appendix A:

SDG&E believes that the allowed time for some of the studies/responsibilities have been reduced unreasonably. The reduction in the number of days for the study process must be re-examined.