

Stakeholder Comments Template

**Subject: Small and Large Generator Interconnection Procedures
Draft Tariff Language**

Submitted by	Company	Date Submitted
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Sempra Generation (SGEN) appreciates this opportunity to provide the following comments on the “Small and Large Generator Interconnection Procedures Draft Tariff Language.” There are two main issues that SGEN addresses below.

ISSUE #1

The table shown on the next page is from the matrix issued for discussion at the last SGIP/LGIP Interconnection Procedures stakeholder conference call held on August 20th. Specifically noted in review of the Draft Tariff Language was #3 (highlighted in yellow) as it corresponds to the developed tariff language in Section 8.1 (One Time Full Capacity Deliverability Option). To fully meet the intent of the #3 proposal, clarifying language needs to be included in Section 8.1 to avoid contradiction of new language added to Section 3.1 as described below.

# <u>Draft Final Proposal</u>	<u>Final Proposal</u>	<u>Comment</u>
1 A project of 2 MW or less that qualifies for the fast track process will be studied on the fast track timeline.	Increase the fast track size limit to 5 MW.	Change made in response to stakeholder comments.
2 Energy Only projects of 20 MW or less can waive the Phase I studies and be studied directly in the Phase II studies.	Option to directly enter into Phase II studies without participating in the Phase I studies has been removed.	Stakeholders pointed out a number of complications that will be introduced with this option and this concept will be deferred to the 2011 stakeholder process if still desired.
3 Energy Only projects would need to choose between proceeding as an Energy Only project in the serial group or transition cluster as described in the transition plan or be transferred into Cluster 4 as a Full Capacity project.	Energy Only projects can complete their studies in the serial group or transition cluster and also request to participate in the Cluster 4 Deliverability study to obtain Full Capacity.	Change made in response to stakeholder comments.
4 Financial Security Postings - \$25 million cap for network upgrades for the 2 ^o posting.	Cap reduced to \$15 million.	Many stakeholders argued that the proposed amount of \$25 million is too high. This new proposed amount of \$15 million is 2 times the cap of the 1st financial posting, and is a compromise between the amounts desired by various stakeholders. Any further adjustments can and will be considered in the comprehensive review of the financial security postings to take place in the 2011

In the new section - 8.1 One-Time Full Capacity Deliverability Option, the language describes the ability for generators previously studied as EO to be restudied for FC and must do so as stipulated in 8.12:

[8.12 An Interconnection Customer must make such election within the Cluster Application Window for the CAISO's fourth Queue Cluster, which will open on March 1, 2011.](#)

However, in section - **3.1 General** the following new (and conflicting) language was added:

[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 a single Interconnection Request for that site to continue in the interconnection process and all other requests will be deemed withdrawn.](#)

To be consistent with the intent of the #3 proposal in the matrix and mitigate the conflicting section 3.1 language, additional language in Section 8.1 is needed to carve out an exception for all projects "previously studied as EO to be restudied as FC" (e.g., ["Serial Group, Transition Cluster and Cluster 1/2 'Energy Only' projects requesting to participate in the 'One-Time Full Capacity Deliverability Option' will be allowed to complete their current study processes."](#))

Also, as discussed on the August 20th conference call, to provide certainty that only one Interconnection Agreement will be negotiated for Serial, Transition Cluster and Cluster 1/2 'Energy Only' projects that request to participate in the 'One-Time Full Capacity Deliverability Option,' the Network Upgrade Cost section in the GIA Appendices needs to include provisional language that the Network Upgrade costs are "subject to change" (e.g., ["Network Upgrade facilities/costs are subject to change after the requested Full Capacity Deliverability Assessment is completed within the CAISO's fourth Queue Cluster."](#))

ISSUE #2

On August 30, 2010, the CAISO posted a Technical Bulletin affording the Transition Cluster FC designated projects an opportunity to be assessed for an advisory partial delivery value at the time of its planned COD to mitigate developer's financing issues. Future clusters will likely face the same financing issues and therefore should be afforded the same assessment conducted for the Transition Cluster in order to treat all CAISO queued projects equal. Because the assessment conducted for the Transition Cluster was not conducted under any current tariff provision and to ensure that this opportunity will be afforded to future clusters after completion of their respective Phase 2 Studies, SGEN recommends that this specific process be included with new tariff language in this GIP tariff.