

January 24, 2012

Comments Submitted RE: "Generation Interconnection Procedures: Deliverability Requirements for Clusters 1 and 2, Revised Discussion Paper"

To Whom It May Concern:

Silverado Power, LLC ("Silverado Power") is engaged in the full lifecycle of utility-scale solar development projects—from site acquisition through physical plant development, ownership and operation. Silverado Power has over 2500 megawatts of utility-scale projects currently under development in California and the western United States.

First and foremost Silverado Power would like to express gratitude towards the CAISO staff for their continued efforts to revise the GIP in the interest of fairness for all parties involved. Silverado Power is in general supportive of this effort to aid development of renewables in California by removing certain Delivery Network Upgrades that will not be needed to meet the 33% RPS.

However, it is apparent that additional measures should be taken to correctly implement the GIP in good faith. Specifically, there is an opportunity to remove these large and expensive Delivery Network Upgrades from the Cluster 4 Phase 1 studies. Under the current proposal, while admitting that certain Delivery Network Upgrades will not be needed, the CAISO will collect substantial amounts of Interconnection Financial Securities for these same upgrades. Requiring interconnection customers to post a partially non-refundable Interconnection Financial Security for facilities that are known in advance to not be needed is akin to adding a large "tax" on QC4 ICs requesting FC Deliverability status into the Phase 2 study.

The CAISO, in defending their position, states that this is in fairness to QC3 ICs who have already posted IFS on these same Delivery Network Upgrades. This position is not valid, as the discussion to remove the DNUs did not occur until after the posting due date for QC3. The CAISO did not have the proper grounds to remove the DNU from the QC3 Phase 1 study at that time. In the case of QC4, the proposed timeline supports the ability of CAISO staff to issue an addendum to the studies well in advance of the IFS posting due dates.

Silverado Power is supportive of a suggested proposal in which, upon completion of the revised Cluster 1&2 Phase 2 studies, the CAISO should immediately turn their attention to the revision of the Cluster 3 and Cluster 4 Phase 1 studies to remove the large DNUs per the discussion paper methodology, and issue study addendums as soon as possible. Silverado Power is also supportive of a suggested proposal to allow Cluster 3 ICs to draw down Phase 1 IFS as necessary as a result of the revised studies.

Thank you,

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