# Stakeholder Comments Template

| Submitted by | Company | Date Submitted |
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| Bonnie S. Blair<br>bblair@thompsoncoburn.com<br>202.585.6905<br><br>Margaret E. McNaul<br>mmcnaul@thompsoncoburn.com<br>202.585.6940 | Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") | June 25, 2013 |

Please use this template to provide your comments on the Interconnection Process Enhancements Issue Paper posted on June 3 and as supplemented by the presentation and discussion during the June 11 stakeholder web conference.

Submit comments to GIP@caiso.com

Comments are due June 25, 2013 by 5:00pm

The Issue Paper posted on June 3 may be found at:

http://www.caiso.com/Documents/IssuePaper-InterconnectionProcessEnhancements.pdf

The presentation discussed during the June 11 stakeholder web conference may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancementsJun11_2013.pdf

Following each of the 15 topics presented below, the ISO poses specific questions and requests that stakeholders respond to each.

## Topic 1 – Future downsizing policy

1. What is the demand for a second downsizing opportunity? Would a second downsizing opportunity be sufficient, or do stakeholders believe that there will be further demand beyond a second downsizing opportunity?

   ***The Six Cities have no position on this issue at this time.***

2. What are stakeholders' views on the ISO's position that a downsizing request window of limited time duration should be utilized in any future downsizing opportunity?

***The Six Cities support the ISO's view, as articulated in the Issue Paper, that any future downsizing opportunities should be submitted during a request window of a limited time duration. (See Issue Paper at 24.) The Six Cities agree that such an approach would be more efficient, because the ISO could assess the collective impacts of all downsizing proposals at the same time. Additionally, the Six Cities support the ISO's position that such request windows should coincide with existing study cycles.***

3. The ISO believes that funneling downsizing requests through such a window permits ISO and PTO transmission planning engineers to evaluate the collective impacts of all downsizing requests in the most efficient manner possible (in contrast to the inefficiency and associated chaos of having to review the impacts of downsizing requests sequentially, at any time that an interconnection customer chooses to submit such a request). Similarly, expansion of the ability to downsize through a "material modification" review would essentially allow downsizing requests to be submitted at any time and would thus present the same problems. What are stakeholders' views on this?

   ***Please see the Six Cities' response to Question No. 2 above.***

4. To the extent there were a need for additional downsizing opportunities,

   a. what would be the optimal frequency of downsizing request windows? For example, one per year or one every two years?

      ***The Six Cities have no position on this issue at this time.***

   b. how many downsizing request windows do stakeholders believe should be considered?

      ***The Six Cities have no position on this issue at this time.***

   c. what should be the timing of a downsizing request window? The ISO suggests that the timing of a downsizing request window should be such that there is sufficient time to validate the requests received and study their combined impacts at the same time the re-assessment study is conducted in accordance with the GIDAP timeline. What are stakeholders' views on that?

      ***The Six Cities concur with the ISO's suggestion that the timing of a downsizing request window should allow for adequate time to validate and study the requests in conjunction with the study timelines provided for under the GIDAP. As a general matter, procedures for accommodating future downsizing requests should coincide with existing study processes.***

5. Please comment on the ISO's position that future downsizing options should be limited to pre-Cluster 5 customers because the GIDAP already provides certain opportunities to downsize projects that were not available under the GIP.

   ***The Six Cities have no position on this issue at this time.***

6. Stakeholders are asked to comment on other important features of the current one-time downsizing opportunity. For example, customers who are affected by but are not downsizing

should be protected. As an additional example, downsizing projects should bear the costs of the downsizing study and any resulting interconnection agreement amendments.

***The Six Cities agree that, as a general matter, customers that are availing themselves of downsizing opportunities should bear all costs associated with their downsized projects, including the cost of performing any additional studies that might be required, the cost of amending interconnection agreements if necessary, and, most importantly, the cost of any additional upgrades or changes in the configuration of previously-identified upgrades.***

7. What are stakeholders' views on the continued use of the non-conforming partial termination provisions as a future downsizing option? Although the ISO does not view this as a generally applicable downsizing option, do stakeholders view its continued availability as critical?

***The Six Cities do not oppose the concept of partial termination provisions as a downsizing option, provided that such provisions are crafted such that ratepayers are held harmless from and not exposed to stranded investment costs as a result of the partial termination. If an interconnection customer's project is the primary driver for network upgrades, then the custom should remain responsible for non-avoidable upgrade costs even if the project is not built to the size originally planned. To the extent that other downsizing opportunities are available, the CAISO's continued use of partial termination provisions only on a limited, case-by-case basis appears to be reasonable.***

## Topic 2 – Disconnection of first phase of project for failure of second phase

1. Please expand on the explanation of how current risk of disconnection affects project financeability and viability.

   ***The Six Cities have no position on this issue at this time.***

2. Stakeholders are asked to suggest potential ways to reduce risk for developers, short of blanket elimination of ISO termination rights.

   ***The Six Cities have no position on this issue at this time.***

3. Please suggest what alternative, equitable non-termination remedies to GIA default might look like.

   ***The Six Cities agree that, in certain circumstances, it may be reasonable for the ISO to elect not to exercise its rights to terminate a GIA due to an interconnection customer's failure to complete the second phase of a two- or multi-phase project when the first phase of the project is in operation. One seemingly straightforward alternative to termination of the GIA (and disconnection of the initial phase(s) of the project) would be for the interconnection customer to bear the full costs associated with its decision not to complete the second or subsequent project phase(s). To the extent that an interconnection customer elects not to complete additional phases as originally provided for in its GIA, then that customer should hold harmless other interconnection customers and the CAISO for any and all resulting costs***

***(including costs to conduct new or additional studies and costs that may be required to renegotiate the GIA) and should remain liable for the cost of all network upgrades that were originally identified for and assigned to the project as originally scoped. An interconnection customer's reimbursement for network upgrade costs should be limited to the proportionate share of the project that is operational. If, at a later date within the five year reimbursement period, the upgrades are utilized by other customers, the interconnection customer could become eligible for reimbursement of additional amounts beyond the share associated with the portion of the project that has become operational.***

4. Please comment on the proposed modification to the safe harbor to "greater of 5% or 10 MW.

   ***The Six Cities have no position on this issue at this time.***

## Topic 3 – Clarify tariff and GIA provisions related to dividing up GIAs into multiple phases or generating projects

1. Are there additional scenarios beyond the three scenarios described on page 29 of the issue paper?

   ***The Six Cities are not, at this time, proposing for the ISO's consideration any additional scenarios related to the dividing of projects into phases other than those described at page 29 of the issue paper. However, the Six Cities support the ISO's current requirement that when a project is divided into phases under a single GIA with different owners, all of the co-owners remain jointly and severally liable for all obligations related to the interconnection for the full project and are individually and collectively responsible for all interconnection obligations for the full project. The Six Cities concur with the ISO that joint and several liability as among owners of phased projects is "essential" (see Issue Paper at 31) and that the ISO should not be compelled to navigate contractual relationships among phased project owners in order to administer and enforce the GIA and associated tariff requirements. Thus, the Six Cities support the ISO's position that no change in this practice is warranted.***

2. What thresholds should be used in allowing projects to be broken into multiple phases?

   ***The Six Cities have no position on this issue at this time.***

3. Should there be a minimum total MW size threshold to be eligible to divide a project into phases? For example, would it make sense to allow a 5 MW project to be split into smaller phases?

   ***The Six Cities have no position on this issue at this time.***

4. Should there be a maximum number of phases into which a project can be divided?

   ***The Six Cities have no position on this issue at this time.***

5. Should there be a minimum MW size for each phase?

   ***The Six Cities have no position on this issue at this time.***

6. Should criteria be imposed that include both a minimum total MW threshold and a minimum phase size in MW or a percentage of the total project?

   ***The Six Cities have no position on this issue at this time.***

7. When during the interconnection process should an IC be allowed to request to implement a phased structure for its project?

   ***The Six Cities have no position on this issue at this time.***

## Topic 4 – Improve Independent Study Process

1. Are you interested in participating in the ISP working group and able to devote significant time outside of the standard Interconnection Process Enhancement stakeholder process?

   ***No.***

2. If yes, are you interested in the policy aspects, technical aspects or both?

   ***Not applicable.***

3. Do you have an interest in the behind the meter expansion component of the ISP and if so, please summarize your thinking on revisions to the behind the meter expansion component?

   ***The Six Cities have no position on this issue at this time.***

## Topic 5 – Improve Fast Track

1. Are you interested in participating in the FT working group and able to devote significant time outside of the standard Interconnection Process Enhancement stakeholder process?

   ***No.***

2. If yes, are you interested in the policy aspects, technical aspects or both?

   ***Not applicable.***

3. Are you able to provide engineering expertise for developing FT screens related to a networked transmission system?

   ***No.***

## Topic 6 – Provide for ability to charge customer for costs to process a material modification request

1. Should the cost for modification requests be a fixed fee or deposit and actual costs incurred be charged against deposit?

   ***The charges for processing a material modification request should be based on actual costs charged against an initial deposit. Interconnection customers should pay for all actual costs incurred to process an interconnection request, including actual costs in excess of the deposit amount.***

2. Should existing study funds be used for modification assessments?

   ***Existing study funds may be used for modification assessments, but, again, the charges for processing a material modification request should be based on actual costs. Thus, if actual costs exceed available existing study funds, then the ISO should charge the interconnection customer for such amounts.***

3. If a separate deposit is made, should it be refunded at the end of that modification assessment or once the project achieves COD?

   ***Any amounts remaining from deposits to process modification requests should be refunded once the project achieves COD.***

## Topic 7 – COD modification provision for small generator projects

1. Do stakeholders agree that small generators should be afforded a similar mechanism to modify their project as a large generator?

   ***As a general matter, the Six Cities do not oppose treating small generators comparably to larger generators. This includes affording small generators the ability to modify their projects on the same or substantially similar terms as are applicable to larger generators.***

2. Should small generators be allowed to change their POI if the change does not impact other queued projects and there is a benefit for making that change?

   ***Please see the Six Cities' response to Question No. 1 above.***

3. Should small generators be allowed to modify their project during the study process?

   ***Please see the Six Cities' response to Question No. 1 above.***

4. Should small generators be allowed to extend their commercial operation date for three years from the COD in their interconnection request would be deemed not material, similar to Section4.4.5 of Appendix U for larger generators?

   ***Please see the Six Cities' response to Question No. 1 above.***

## Topic 8 – Length of time in queue provision for small generator projects

1. Should small generator have the same time to develop their project as a large generator (i.e. 7 years)? If no, what should the length of time be for the developer of a small generator?

   ***As discussed above in connection with Topic 7, the Six Cities do not oppose treating small generators comparably to larger generators. This includes allowing small generators a period of time to develop their projects that is comparable to the period of time that larger generators are allowed to develop their projects.***

## Topic 9 – Clarify that PTO and not ISO tenders GIA

1. Do stakeholders have a concern with amending the tariff to be consistent with existing implementation?

   ***The Six Cities do not oppose this amendment.***

2. If yes, what are those concerns and how would the stakeholder propose to resolve those concerns?

   ***Not applicable.***

## Topic 10 – Timeline for tendering draft GIAs

1. Do stakeholders have an issue with changing the trigger for tendering of GIAs?

   ***The ISO's straw proposal – namely, to trigger the tendering of the GIA off of the Results Meeting date rather than the date the Interconnection Facilities Study or Phase II Study reports are provided – appears reasonable, and the Six Cities do not oppose the proposal.***

## Topic 11 – LGIA negotiations timeline

1. Do Stakeholders agree with the best effort language?

   ***The Six Cities have no position on this issue at this time.***

2. If Stakeholders agree with triggering the tendering of agreements off of the Results Meeting, do you agree with triggering the negotiation off of the same event?

   ***The Six Cities have no position on this issue at this time.***

3. Do Stakeholders want to change the 15 BD to 10 BD for providing a final GIA for execution? If yes, do Stakeholders agree that the information request sheet must be provided in advance of finalizing the negotiation?

   ***The Six Cities have no position on this issue at this time.***

4. Are Stakeholders concerned with the process of required written agreement from all three parties on extending the tendering and negotiation timeline as a proxy for prioritization? If yes, then what prioritization process would you propose given the questions discussed above?

   ***The Six Cities have no position on this issue at this time.***

## Topic 12 – Consistency of suspension definition between serial and cluster

1. With the narrow focus of ensuring that other queue projects are not impacted if a serial project suspends, are stakeholders still concerned with the topic?

   ***Suspension should be permitted only if there is no adverse impact to subsequently queued projects or the suspended project agrees to mitigate any impacts to subsequently queued***

***projects. The Six Cities generally agree with the approach outlined in the ISO's straw proposal for this topic. Specifically, the ISO proposes limitations on the suspension provisions applicable to serial LGIAs to specify that suspension extends up to three years from the COD in the interconnection request and applies to PTO upgrades that do not impact other projects.***

2. Are stakeholders willing to accept the consequences if a serial project suspends and then impacts the ability for later queue projects to achieve their COD?

   ***As stated above, projects should be permitted to suspend only if there is no adverse impact to subsequently queued projects or the suspended project agrees to mitigate any such impacts.***

3. Are stakeholders willing to accept the consequences if a serial project suspends and then impacts the ability for later queue projects to achieve their full capacity deliverability status?

   ***Please see the Six Cities' response to Question Nos. 1 and 2 above.***

4. Do you have a better idea to mitigate this risk for later queue projects?

   ***Please see the Six Cities' response to Question Nos. 1 and 2 above.***

## Topic 13 – Clarity regarding timing of transmission cost reimbursement

1. What are stakeholders' views on going forward whether cost reimbursement should require both commercial operation and network upgrades in service?

   ***The Six Cities concur with previously-submitted comments by Southern California Edison Company that eligibility for cost reimbursement should require both (i) that the project have achieved commercial operation and (ii) the required network upgrades to be in service.***

## Topic 14 – Distribution of forfeited funds

1. If some stakeholders believe that the scheduling coordinator approach should be abandoned, then do stakeholders have any specific ideas for alternative approaches to the distribution of forfeited funds?

   ***The Six Cities support changes to the current approach of allocating forfeited funds to Scheduling Coordinators. Forfeited funds should first be used to pay for or offset the cost of any restudy activities and upgrades associated with the interconnection request (including any additional or modified upgrades that may be necessary as a consequence of withdrawing an interconnection request from the queue). Interconnection customers that have forfeited funds should not be entitled to reimbursement for any portion of their forfeited funds that are used to pay for upgrades. To the extent that any additional funds remain after having been used for restudy and upgrade costs, such additional funds should be distributed to ISO transmission customers in the form of a credit against the ISO's Transmission Access Charge.***

2. Please comment on the possible use of forfeited IFS funds to offset resulting cost increases for projects remaining in queue as a way to mitigate impacts of withdrawals on other interconnection customers.

   ***Please see the Six Cities' response to Question No. 1 above.***

3. Please comment on the stakeholder-suggested idea of applying forfeited IFS funds to a PTO's transmission revenue requirement to reduce the transmission access charge and thereby benefit ratepayers who ultimately bear the costs of the transmission upgrades.

   ***Please see the Six Cities' response to Question No. 1 above.***

4. Please comment on the possible use of forfeited funds by the ISO and PTO for study costs previously incurred that an interconnection customer defaults on.

   ***Please see the Six Cities' response to Question No. 1 above.***

## Topic 15 – Inverter/transformer changes

1. The ISO believes that it should be more transparent with respect to its material modification review including which modifications are allowed without a review. What modifications do stakeholders believe should be made without a material modification review?

   ***The Six Cities have no position on this issue at this time.***

2. If a formal material modification review is not made, what type of notification process would stakeholders envision should be implemented so that the ISO and PTO are aware of the changes?

   ***The Six Cities have no position on this issue at this time.***