

Revised Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this revised template to provide your comments on the Interconnection Process Enhancements Draft Final Proposal for Topics 1 and 2 posted on September 12 and as supplemented by the presentations and discussion during the September 19 stakeholder web conference, and the September 24 amendment to the draft final proposal.

Submit comments to GIP@caiso.com

[Comments are due Monday, October 7, 2013 by 5:00pm](#)

Stakeholders are asked to base their comments on all of the following documents:

1. The Draft Final Proposal posted on September 12 which may be found at:

http://www.caiso.com/Documents/DraftFinalProposal_Topics_1-2_InterconnectionProcessEnhancements.pdf

2. The presentation discussed during the September 19 stakeholder web conference which may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancements-DraftFinalProposal_Topics1-2.pdf

3. Supplemental presentation slides amending the September 12 draft final proposal’s approach to downsizing study costs and discussed during the September 19 stakeholder web conference which may be found at:

http://www.caiso.com/Documents/SupplementalPresentation-InterconnectionProcessEnhancements-DraftFinalProposal_Topics1-2.pdf

4. The September 24 amendment to the September 12 draft final proposal which may be found at:

http://www.caiso.com/Documents/Addendum-DraftFinalProposal_Topics_1-2_InterconnectionProcessEnhancements.pdf

Based on all the documents referenced above, please provide your comments on each of the topics listed below.

Topic 1 – Future downsizing policy

Please select one of the following options to indicate your organization’s overall level of support for the proposal on Topic 1:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

The Six Cities support the ISO’s Draft Final Proposal for Topic No. 1 for several reasons. First, the ISO’s proposal to study downsizing requests is synchronized with existing study processes under the GIDAP, which is an efficient approach to evaluating such requests. Second, the proposal requires downsizing customers to finance network upgrades triggered by their projects at the original size if other projects rely on such upgrades, which should protect other interconnection customers from experiencing adverse impacts due to a downsizing request. Third, the proposal requires downsizing customers to pay for the actual cost to process their downsizing requests (or an allocated share of the costs), which allows the ISO, Participating TOs, and third parties to recover their costs to administer and perform the downsizing process and ensures that these costs are not borne by or shifted to other parties.

Several parties have identified additional criteria for interconnection customers to be eligible for the downsizing process. For example, Southern California Edison Company (“SCE”) has proposed that interconnection customers should be limited to one or two downsizing requests to create the correct incentives for customers to avoid prolonging the study of infeasible projects. (See Draft Final Proposal at 23.) Similarly, SCE supports a proposal whereby downsizing customers are limited to a “reasonable” reduction in project size that is supported by a verifiable justification as to the reason for the request. (Id.) Pacific Gas and Electric Company and San Diego Gas and Electric Company support limiting the size of downsizing requests to 75% reductions in capacity. (Id. at 22-23.) While the Cities support the ISO’s

proposal to move forward with the Draft Final Proposal at this time absent these modifications, the Six Cities urge the ISO to remain open to incorporating additional eligibility criteria at a later date if appropriate as the ISO's experience in administering the downsizing process evolves.

Topic 2 – Disconnection of completed phase(s) of project due to failure to complete subsequent phase

Please select one of the following options to indicate your organization's overall level of support for the proposal on Topic 2:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

The Six Cities oppose one aspect of the ISO's Draft Final Proposal for Topic No. 2. Specifically, the Six Cities do not support allowing an interconnection customer who did not participate in a downsizing process and who fails to complete the full capacity of its project to receive reimbursement for network upgrade costs associated with the cancelled MW portion of the project. The Six Cities understand the ISO's general approach under Topic No. 2 is to deny reimbursement for interconnection customers in these circumstances, except that the ISO has now created three exceptions to this general rule that allow for reimbursement if the interconnection customer's failure to complete the project is due to circumstances outside of its control.

It remains the Cities' position that downsizing interconnection customers should remain responsible for all costs associated with the full MW size of the project, and should not be reimbursed for network upgrades that are constructed but are ultimately not needed due to the reduced capacity of the project. Allowing an interconnection customer to avoid utilizing available downsizing opportunities and unilaterally elect not to build the full planned capacity of its project while requiring transmission customers to provide reimbursement for the full cost of network upgrades inappropriately shifts costs onto transmission customers that should be borne by the interconnection customer. While the ISO has attempted to limit eligibility for reimbursement to circumstances that are beyond an interconnection customer's control, the interconnection customer is in a better position to avoid construction of unneeded upgrades through appropriately sizing its project in the first instance and ensuring that, to the extent there are uncertainties with regulatory approvals and/or acquisition of land use or

access rights, the project schedule can accommodate participation in the ISO's downsizing process.

Additionally, as discussed by representatives of the CPUC during the September 19th stakeholder meeting, the Six Cities do not believe that the ISO has fully considered its Topic No. 2 proposal within the context of Participating TO funding for network upgrades. If a Participating TO is funding the network upgrades for a project, the interconnection customer is insulated from the effects of its failure to complete its originally-planned project (and its failure to participating in downsizing) and transmission customers are, once again, exposed to costs for unneeded upgrades. The Cities urge the ISO to consider what mechanisms may be available to require interconnection customers to pay for network upgrades built by Participating TOs that are associated with the unbuilt project capacity and are not needed to support interconnection of other projects.