

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Draft Final Proposal posted on May 28, 2014 in the Interconnection Process Enhancements (IPE) initiative and as supplemented by the presentation and discussion during the stakeholder web conference held on June 4, 2014.

Submit comments to GIP@caiso.com

Comments are due June 11, 2014 by 5:00pm

The draft final proposal posted on May 28, 2014 may be found at:

<http://www.caiso.com/Documents/DraftFinalProposal-Topics13-14-InterconnectionProcessEnhancements.pdf>

The presentation discussed during the June 4, 2014 stakeholder web conference may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancementsJun4_2014.pdf

Please provide your comments as follows.

Timing of transmission cost reimbursement (IPE Topic 13)

Please select one of the following options to indicate your organization’s overall level of support for the ISO’s draft final proposal regarding the timing of transmission cost reimbursement:

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.

Comments: **The Six Cities express qualified support for the draft final proposal for this topic because the final proposal is consistent with the principle that reimbursement for amounts advanced by interconnection customers should commence when the generating facility becomes commercially operational and the network upgrades are in-service. However, the Six Cities are unclear as to why, if the CAISO is establishing a general policy in its tariff applicable to the timing of reimbursement, Participating TOs should have the discretionary ability to apply a different approach (to provide reimbursement upon COD, among, presumably, other options), as the ISO states in the Draft Final Proposal. (See Draft Final Proposal at 12.) Given the ISO’s acknowledgement that alignment with the Order No. 2003 series requires that reimbursement for network upgrades “occur once those assets are utilized to deliver the output of the interconnection customer’s generating facility” (see *id.*), it is not clear why providing reimbursement at an earlier time, such as upon COD, irrespective of whether the associated upgrades are in-service, should be permitted.**

Redistribution of forfeited funds (IPE Topic 14)

Please select one of the following options to indicate your organization’s overall level of support for the ISO’s draft final proposal regarding redistribution of forfeited funds:

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.

Comments: **The Six Cities support the revised aspects of the proposal. Using a portion of the forfeited funds to offset the costs of constructing network upgrades will reduce the cost of such upgrades to ratepayers, because the Six Cities understand that the share of network upgrade costs paid for with forfeited funds will not be subject to reimbursement by ratepayers, but will instead be used as a pure offset to network upgrade costs. The Six Cities also support providing the balance of the forfeited funds to ratepayers through offsets to the Transmission Access Charge via the Transmission Revenue Balancing Account. As the Six**

Cities have previously commented, this methodology is more equitable than the current approach of allocating forfeited funds to all Scheduling Coordinators.