

Comments of Sustainable Conservation on Generator Interconnection Procedures Straw Proposal

Submitted by	Company	Date Submitted
Jody London jody_london_consulting@earthlink.net 510-459-0667	for Sustainable Conservation	June 21, 2010

Sustainable Conservation is pleased to submit these comments on the Generator Interconnection Procedures Straw Proposal and June 2, 2010 Stakeholder Meeting. Sustainable Conservation works to advance environmental stewardship using innovative, pragmatic strategies that actively engage businesses and landowners in conservation. We have been active for several years on issues related to biomass, particularly dairy biogas digesters, and played a key role in the development of the feed-in tariff responding to Assembly Bill 1969. Sustainable Conservation has been joined in its efforts to reform the processes for bringing biogas digesters on line by other groups, including the California Farm Bureau Federation.

We do not at this time have comments on all of the issues for which the California Independent System Operator (“CAISO”) has requested input. We reserve the opportunity to provide further comment if and when appropriate.

Proposed Independent Study Process

1. Do you think that the proposed independent study process criteria are appropriate?
2. How should the proposed independent study process be specifically modified to incorporate desired features that are in the current SGIP serial process?
3. How can the independent study criteria be modified to allow PTOs to utilize this process if they do not have a backlog and waiting for the cluster window does not make sense?
4. What pre-application information and guidance is needed to prequalify projects so that the process is not overwhelmed with applications?
5. How much “ISO and PTO judgment” should be allowed in qualifying projects and how should it be delineated?
6. What would be sufficient transparency into the ISO and PTO judgment process in qualifying projects and how would that be provided?
7. If the proposed independent study process is included in the final proposal, is there still a need for the current LGIP Phase II accelerated study process? (CAISO Tariff Appendix Y Section 7.6)

Proposed Study Deposit Amounts

Are the proposed study deposit amounts appropriate, if not please explain?

Proposed Cluster Study Process

Do the proposed timelines for the cluster study process seem reasonable? Please add explanations for both yes or no responses?

Coordinating generator interconnections with the transmission planning process

Do you support the concept of coordinating the proposed generator interconnection process with the transmission planning process, why or why not?

For large projects there may be value in better coordination of interconnection with transmission planning. However, that will not necessarily fix the problem for the many small generators that could be supplying power to the grid. The CAISO should be working with the utilities and other state regulatory agencies to develop a better interconnection process for small generators. Currently, the interconnection process for small generators is costly, unpredictable, and time-consuming. The result is that fewer customers choose to install generation, such as biomethane digesters. This in turn means that the State has fewer baseload, renewable resources in the generation portfolio. (See below for details.)

Deliverability Assessments

1. What are your thoughts on the proposed alternatives for deliverability assessments?
2. What adjustments should be made to each alternative?

Proposed Transition Plan

1. Do you think that the proposed transition plan is reasonable for LGIP projects?
2. Do you think that the proposed transition plan is reasonable for SGIP projects?
3. Do you have any comments on the proposed dates for grandfathering projects in queue and migration of new projects and in queue projects into the proposed cluster process?

Do you have any additional comments that you would like to provide?

Sustainable Conservation works with small, baseload, renewable, on-site generation installed by customers (in this case, farmers with the ability to install biomethane digesters). These projects are almost always under 2 MW. Additionally, in the case of biomethane, the Governor's Executive Order on Biomass (S-06-06) establishes targets to increase the production and use of bioenergy. Despite their small size, these projects are governed by PG&E's Small Generator Interconnection Process, a tariff that is under the jurisdiction of the Federal Regulatory Energy Commission ("FERC"). When the tariff for these small projects was developed in 2007, PG&E was very specific in advocating for FERC jurisdiction. (See CPUC Decision 97-07-027, pp. 40-42) The fact that any problems with interconnection must be resolved by a federal agency in Washington, D.C. is a deterrent to participation in the tariff. So, even though the ISO may not

believe that the problems with the SGIP are relevant to the current Straw Proposal for reforming the LGIP, there is a connection because the two processes are FERC jurisdictional.

The primary issue with the SGIP is the length of time, cost, and unclear process associated with connecting a small generating unit to the grid. One option the CAISO could promote for small customer generators is that they interconnect under Rule 21, which is governed by the California Public Utilities Commission, as opposed to FERC.

As the CAISO looks at LGIP reform, it should consider how to tighten up all the interconnection processes. Particularly for entities whose primary business is not power generation, a simple, easy-to-understand process is going to encourage them to install projects that will help the State meet its renewable energy and greenhouse gas reduction goals.