

# Stakeholder Comments Template

## Generator Interconnection Driven Network Upgrade Cost Recovery Initiative

Submitted by	Company	Date Submitted
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### Second Revised Straw Proposal

This template has been created for submission of stakeholder comments on the revised straw proposal for the Generator Interconnection Driven Network Upgrade Cost Recovery initiative that was posted on Nov. 21, 2016. The proposal and other information related to this initiative may be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/GeneratorInterconnectionDrivenNetworkUpgradeCostRecovery.aspx> .

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **Dec. 16, 2016**.

If you are interested in providing written comments, please organize your comments into one or more of the categories listed below as well as state if you support, oppose, or have no comment on the proposal.

1 - Do you support a more narrowed focused approach, like or similar to Options A & B versus the original straw proposal's Option 1? Please provide specific information to help stakeholders understand your argument either for or against.

**VEA maintains its position that Option 1 of the original straw proposal is the simplest and most equitable solution for recovery of network upgrade costs caused by generator interconnections to low-voltage facilities. Interconnections to both high-voltage and low-voltage facilities within the CAISO Grid serve the same function: integrating generation to serve loads across the CAISO. Therefore, as stated in VEA’s comments to the original straw proposal, cost causation principles do not justify treating costs resulting from generator interconnections to low-voltage facilities differently from those resulting from high-voltage facilities.**

**While VEA supports Option 1 of the original straw proposal, it also supports Options A and B of the Second Revised Straw Proposal if necessary to resolve concerns regarding cost shifting between the larger participating transmission owners (“PTOs”) within the CAISO.**

2 - Do you have a preference between Options A or B? Why?

**VEA supports Option B over Option A. Both options provide criteria for a PTO's treatment as a "small PTO," which would be permitted to include its low-voltage network upgrade costs in the TAC recovery mechanism. However, VEA believes that Option B's proposal to incorporate these criteria into the ISO Tariff via an amendment is a simpler and more streamlined approach for determining a PTO's status as a "small PTO." While Option A's proposed case-by-case review of the criteria by CAISO and FERC could potentially result in more stringent review process, VEA believes that this would unnecessarily delay progress in the generator interconnection queue. Further, VEA believes that the CAISO's proposed Option B criteria provides a sufficient basis for qualification as a "small PTO." Therefore, if the CAISO determines that only the low-voltage network upgrade costs of "small PTOs" should be included in the TAC recovery mechanism, then VEA supports Option B.**

3 - Should the PTO also include in their LV TAC rates costs associated with generation connecting with their LV system where this generation is contracting to non-PTO entities? Please provide any recommendation you may have on the handling of low-voltage network upgrade costs related to a project built to serve an entity outside the ISO.

**VEA recognizes both the need to allocate costs based on cost causation principles and the complexity of the issue of costs associated with generation serving non-PTO entities. Thus, VEA believes that the determination of the treatment of these costs should be set aside for future consideration. If the CAISO does elect to address these issues now, it should consider whether treating generation serving non-PTOs would create impermissible discrimination under the Federal Power Act.**

4 – Any other comments or suggestions?

**None.**