Attachment B

Stakeholder Process: Location Constrained Resource Interconnection

Summary of Submitted Comments

Stakeholders submitted seven rounds of written comments to the CAISO on the following dates:

- Round One, 07/14/06[1]
- Round Two, 10/10/06
- Round Three, 06/15/07
- Round Four, 08/02/07
- Round Five, 09/05/07
- Round Six, 09/26/07
- Round Seven, 10/15/07 (Tariff Language Comments)

Stakeholder comments are posted at: http://www.caiso.com/1816/1816d22953ec0.html

Other stakeholder efforts include:

- Conference Calls
  - 09/26/06
  - 08/30/07
  - 09/21/07
- In-Person Meetings
  - 07/07/06
  - 07/27/07
- Several one-on-one calls with stakeholder as requested.
- Multiple presentations at industry events and conferences.

[1] These dates include stakeholder efforts leading up to the filing of the Declaratory Order – January, 2007.

Management Proposal	California Public Utilities Commission	Renewable Generation Representatives	Municiple Utilities/Districts	IOUs (PG&E, SCE, SDG&E)	Management Response
Allocate TAC costs including Wheel Through customers	Support All Wheel Through customers will benefit from these types of facilities and should be charged no differently	Support/Oppose Clipper Windpower and Cal WEA support the management response Sempra Generation Opposes the allocation of TAC costs to wheel through customers	Oppose/Support IID opposes allocating TAC costs to wheel through customers arguing that they do not benefit from this type of facility and should not be assessed charges. Bay Area Municipal Utility supports the management response SMUD and CMUA argued that other factors need to be considered.	Support All Wheel Through customers will benefit from these types of facilities and should be charged no differently	Wheel Through Customers benefit in many ways from these types of projects, just as other customers do and should be allocated their share of the TAC accordingly.
First prong of two prong test - 25% - 35% minimum capacity of eligible projects that must be subscribed pursuant to an LGIA	25% - 30%	Cal WEA: 25% - 30%	IID: 40% - 50%	PG&E: 35% SCE: Prefers 15% but, accepts 25%	A minimum of 25% of the capacity of the LCRIF is subscribed through an executed LGIA/SGIA in coordination with demonstration of additional interest (next line in this table) before construction can commence.
Second prong of two prong test - 25 % - 35% minimum of capacity that should be demonstrated (beyond the first prong capacity) before	25% - 35%	Cal WEA: There is no basis for a hard numeric test or further requirement over and above the LGIA/SGIA requirement	IID: 50% - 60% A demonstration of additional interest should be demonstrated for all the capacity over an above the LGIA/SGIA subscription requirement.	PG&E: 25% - 35% SCE: No less than 25%	A demonstration of additional interest in an LCRIF (over and above the first prong test) should be no less than 35% of the capacity before construction can commence. The sum of the two prong test ensures that at least 60% of the line has demonstrated some level of interest in the project.

Management Proposal	California Public Utilities Commission	Renewable Generation Representatives	Municiple Utilities/Districts	IOUs (PG&E, SCE, SDG&E)	Management Response
construction can commence					
Appropriate Criteria for demonstrating additional interest	-Signed LGIA -Power Purchase Agreements -Reach Facilities Studies Stage of LGIP -A combined condition criteria including residing in the interconnection queue or signing a declaration of intent or participating in an open season for the 1st condition. 2nd condition is a $/kw deposit.	Cal WEA: -Control of the land -PPAs (CPUC standard language) -Should be consistent with the queue process. -No additional deposits.	IID: -Verified renewable capacity -Confirmation of financing -Ownership of rights to land -Ownership of rights to mineral rights or renewable resources -Demonstrated demand for additional renewable resource -Amount of $ similar to the total GMC a generator would pay over a one month period.	PG&E, SCE: 10% of the developers share of the proposed LCRIF's capital costs.	Additional interest can be demonstrated by: -LGIA/SGIA over and above first 25% of capacity of the line. -Firm power sales agreement -A deposit equal to the sum of the minimum deposits required by an applicant in the LGIP for all required studies.
Energy Resource Areas (ERAs) should be designated by a "State Regulatory Agency". Until designation has been completed an interim approach is needed.	Support CPUC and CEC will determine joint certification of Energy Resource Areas. This process will need to be coordinated with the RETI initiative. An interim approach may be needed.	Oppose/Support Cal WEA: ERAs should be defined by resources in the interconnection queue Clipper Windpower: the CEC should administer the process of identifying and assessing ERAs.	Support IID: ERAs should be designated by State Agencies or RETI. Interconnection queue should not be used. Bay Area Municipal Utilities and CMUA: Designation of ERAs should be coordinated between state regulatory agencies and local governing bodies.	Conditional PG&E: ERAs should be a subset of CREZ (RETI designation). In the interim, the interconnection queue could be used to relieve the backlog. SCE: In the interim the interconnection queue could be used to designate provisional ERAs	The CPUC and CEC will provide joint certification of Energy Resource Areas. If an interim approach is required and a project meets the other six required criteria, the CAISO will seek project approval from the Board of Governors.

Management Proposal	California Public Utilities Commission	Renewable Generation Representatives	Municiple Utilities/Districts	IOUs (PG&E, SCE, SDG&E)	Management Response
Provide a "pre-designation" status for projects that have met all criteria with the exception of the showing of commercial interest	Support Provides a proactive signal to developers.	Oppose LCRI projects should be based on the interconnection queue and pre-designation could cause delay in completing studies.	Oppose CAISO should not take on additional work.	Oppose PG&E: Adequate commercial interest must be demonstrated prior to significant expenditures by the transmission owner. SCE: Initially a champion of this proposal, SCE has chosen to withdraw support since no one else was in favor.	The "pre-designation" proposal issue has been dropped.