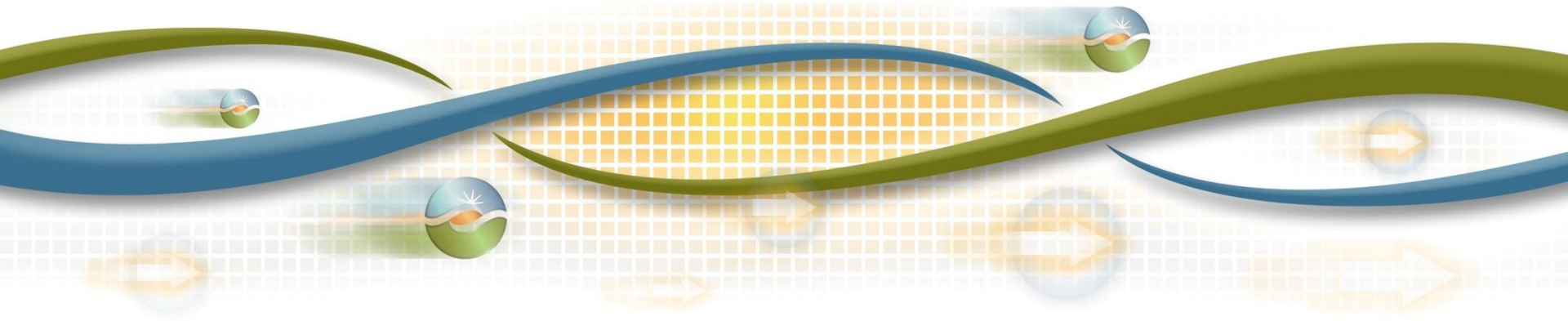


Interconnection Process Enhancements Initiative

Second Addendum to the Draft Final Proposal for Topics 1 and 2

Stakeholder Web Conference

October 28, 2013



Introduction, Stakeholder Process

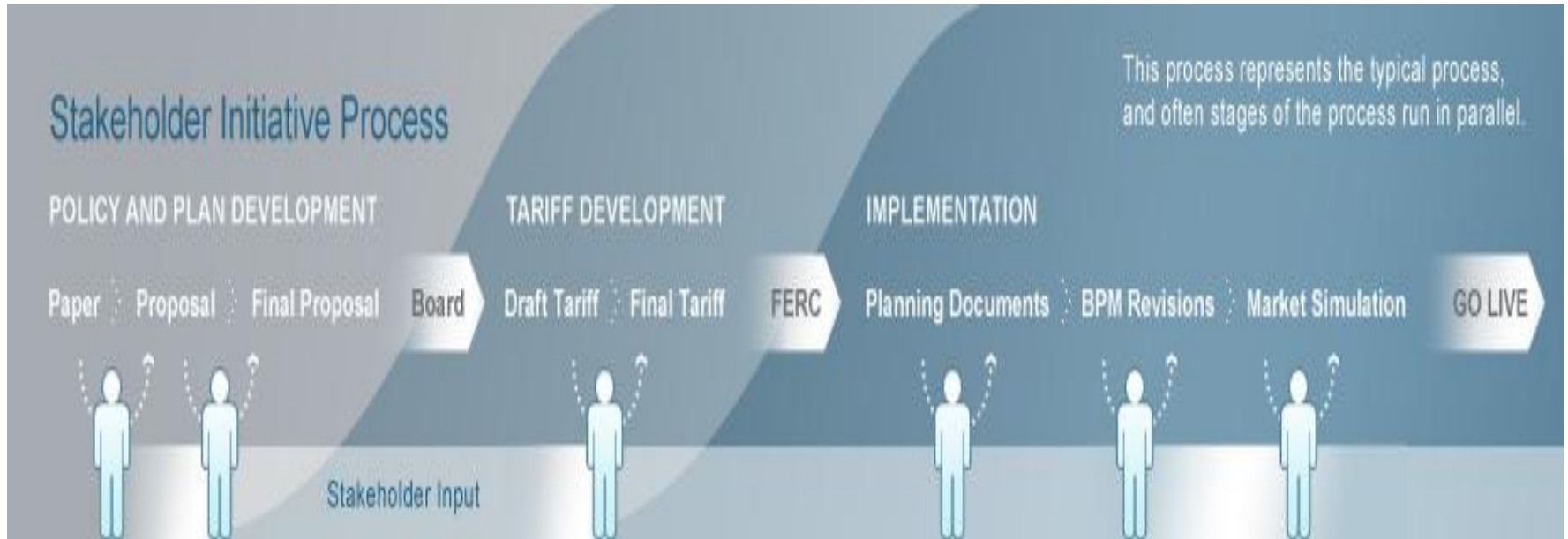
Kristina Osborne

Stakeholder Engagement and Policy Specialist

Agenda

Time	Topic	Speaker
1:00-1:15	Introduction, Stakeholder Process	Kristina Osborne
1:15-2:45	Second Addendum	Tom Flynn / Lorenzo Kristov
2:45-3:00	Wrap up	Kristina Osborne

ISO Stakeholder Initiative Process



We Are Here

Stakeholder process schedule for Topics 1 and 2

Date	Event
April 8	Posted scoping proposal (all topics)
June 3	Posted issue paper (topics 1-15)
July 18	Posted straw proposal (topics 1-5 & 13-15)
September 12	Posted draft final proposal (topics 1 & 2)
September 19	Held stakeholder web conference
September 24	Posted addendum to 9/12/13 draft final proposal
October 3	Held Stakeholder web conference on 9/24/13 addendum
October 7	Stakeholder comments received on both 9/12/13 draft final proposal and 9/24/13 addendum
October 21	Posted second addendum to 9/12/13 draft final proposal
October 28	Stakeholder web conference on 10/21/13 second addendum
Nov 7-8	ISO Board (topics 1 & 2)

Purpose of second addendum to the Draft Final Proposal for Topics 1 and 2

The 10/21/13 second addendum has two purposes:

1. Addresses stakeholder comments regarding interconnection financial security (“IFS”) posting requirements.
2. Proposes a modification to the draft final proposal for Topic 2 (“risk of disconnection”).

Addressing stakeholder comments on IFS posting requirements – 1

- 2013 GIDAP reassessment study resulted in removal of some network upgrades for some customers.
- Such customers may have expected immediate adjustments in their IFS posting requirements.
- However, ISO had planned to make such adjustments only later, at the time of the third and final posting.
- Some stakeholders oppose this approach and argue for earlier posting adjustments.
- ISO believes that these matters are beyond the scope of the current IPE initiative.

Addressing stakeholder comments on IFS posting requirements – 2

- ISO will issue a technical bulletin to address these issues in the near term.
- ISO proposes to initiate a stakeholder process in 2014 to consider more broadly the matter of adjustments to IFS posting requirements resulting from reassessment studies.

Modification to draft final proposal for Topic 2 (“risk of disconnection”) – 1

- 9/12/13 draft final proposal proposed that the *pro rata* portion of IFS postings and other costs associated with cancelled MW portion or phase(s) of project will not be eligible for reimbursement
 - unless the IC can demonstrate that the MW size reduction is due to one of three factors beyond the IC’s control; and,
 - that the IC only learned of the relevant factor(s) after the last opportunity to enter a downsizing window had passed.

Modification to draft final proposal for Topic 2 – 2

- In October 7 written comments, some stakeholders argued for easing of the loss of reimbursement provision, particularly in cases where the associated transmission capacity was either:
 - not built because it was not needed, or
 - built and utilized by subsequent ICs.

Modification to draft final proposal for Topic 2 – 3

ISO now proposes that if

- IC is in either of the two situations comprising the scope of Topic 2;
- has not reduced its project size through either downsizing or exercise of partial termination provisions in its GIA; and
- the project's COD as specified in its GIA occurs before the next downsizing window

Then ...

Modification to draft final proposal for Topic 2 – 4

Then

- ISO will not consider the IC to be in breach nor seek to terminate the GIA solely due to the failure to complete the full MW size required under the GIA, provided that the IC:
 - Enters the next available downsizing window, and
 - Complies with all applicable costs and requirements as approved for the new annual downsizing process.

Note: The IC's failure to comply with this proviso would fail to relieve the GIA breach conditions.