

Stakeholder Comments Template

Subject: Remote Resource Interconnection Policy

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the following topics covered in the June 1 Market Notice regarding Remote Resource Interconnection Policy. Upon completion of this template please submit (in MS Word) to chinman@caiso.com. Submissions are requested by close of business on Friday June 15, 2007.

BAMx has been wholly supportive of encouraging additional renewable resources in California, and BAMx members have adopted aggressive renewable portfolio goals. BAMx encourages the CAISO to pursue cost-effective solutions and avoid at-any-cost pursuit of projects just because of their high profile. BAMx would like to caution that resources spent and stranded on underused Remote Resource Interconnections are resources that will no longer be available for achieving the State's goal of increasing renewable resources. Appreciating the tension between 1) encouraging development of renewable resources and 2) protecting ratepayers, BAMx asserts the following responses strike a fair balance between the two in forming Remote Resource Interconnection Policy.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. What is the minimum percentage of capacity of eligible projects that must be subscribed pursuant to executed Large Generator Interconnection Agreements before construction can commence?

In order to strike a fair balance between encouraging development and protecting ratepayers BAMx avers that a 50% subscription is appropriate.

In setting the minimum subscription level, BAMx suggests two objectives: 1) Managing the risk of underutilization of the interconnection; and 2) minimizing the rate impacts to the customers of those LSEs that will not benefit from Third Category Transmission projects. For example, LSEs that are fully resourced and have already met the renewable goals, or

¹ BAMx consists of electric utilities of Alameda Power and Telecom, City of Palo Alto Utilities, and City of Santa Clara, Silicon Valley Power.

those who cannot access the renewable generation due to congestion and deliverability constraints.

2. What are the appropriate criteria for demonstrating “additional interest” (i.e., interest more than the requisite minimum percentage of LGIAs) for an eligible project?

The additional interest should be in the form of documentation of partial progress toward an LGIA

3. What is the minimum percentage of “additional interest” that should be shown for an eligible project before construction can commence?

An additional interest of 15% - 20% should be a requisite prior to construction.

4. Do wheel-through customers receive benefits from a Remote Resource Interconnection Facility? Should the costs of a Remote Resource Interconnection Facility be included in wheel-through rates? Why or why not?

Only to the extent that wheel through schedules receive an increased benefit of the CAISO Network grid, should that schedule be assessed a portion of the costs of Third Category Transmission projects. This follows the principle that beneficiary pays.

5. What are the key elements of and considerations for a transmission planning process for the Remote Resource Interconnection Policy?

While economic factors must be considered, the ultimate gage would be sufficient sponsors and support for additional facilities by stakeholders willing to bear the additional costs. Additionally, these remote interconnections should be integrated into the whole planning process and assessed for grid reliability impacts.

To the extent that the cost of the remote interconnections is collected via the TAC, the transmission planning process should address the issue of deliverability of the resources to load pockets.

6. What principles should be applied and factors considered to ensure that a proposed Remote Resource Interconnection Facility will result in a cost effective and efficient interconnection of resources to the grid?

A cost benefit analysis that includes values in addition to renewables such as contributions to System and Local Resource adequacy, or evaluation of other projects that would meet the renewable requirements and that could be more cost effective.

7. How should Energy Resource Areas be selected?

This should be a coordinated and inclusive process, involving entities such as state regulatory agencies and local governing/regulatory bodies. The venue should allow for, and encourage, independent stakeholder input.

8. Should the CAISO consider tariff changes to its existing authority to "cluster" interconnection studies to enhance its ability to efficiently evaluate locationally-constrained resource areas

“Clustering” of generation additions seems to make sense for optimum sizing during transmission planning studies. Tariff changes are required for the CAISO in implementing the transmission planning principles in FERC Order No. 890 where transmission users may request the CAISO to perform studies, including the “clustering” of potential renewable resources.

9. Other

No further comments.