

Stakeholder Comments Template

Subject: Small and Large Generator Interconnection Procedures Draft Final Proposal and Meeting

Submitted by	Company	Date Submitted
Linda Kelly lkelly@energy.state.ca.us (916) 654-4815 Bryan Neff bneff@energy.state.ca.us (916)654-4414	Energy Commission	Aug. 4, 2010

This template was created to help stakeholders submit written comments on topics related to the July 20, 2010 Small and Large Generator Interconnection Procedures Draft Final Proposal and July 27, 2010 Small and Large Generator Interconnection Procedures Stakeholder Meeting. Please submit comments and thoughts (in MS Word) to dkirrene@caiso.com no later than 5:00 pm PDT August 4, 2010.

Please add your comments where indicated responding to the questions raised. Your comments will be most useful if you provide the business case or other reasons why you support particular aspects of the proposal. Any other comments on the proposal are also welcome. The comments received will assist the ISO with the development of the FERC filing of modified tariff language.

Overall Assessment of the ISO Proposal

1. Do you support ISO Board approval of the proposal? Why or why not?

Energy Commission staff appreciate the opportunity to comment on the ISO proposal to reform the Small Generation Interconnection Process (SGIP). The timeline for this stakeholder process has been short and intense, but we agree that the current serial approach to reviewing SGIP projects is no longer working. During this stakeholder process, ISO staff has made every effort to respond to issues and concerns raised by stakeholders and incorporate their suggestions into a final proposal. We commend them for that effort.

The schedule developed for this stakeholder process was developed by ISO staff to accommodate approval by the ISO Board of Governors in September of Modifications to the Small Generator Interconnection Procedure and possible

approval of the proposal at FERC by the end of the year. We are convinced that by studying projects in clusters, rather than individually, interconnection timelines for all generators will be reduced. This is an urgent issue that needs to be dealt with immediately. For this reason, Energy Commission staff supports approval of the proposal by the ISO Board.

While we note that there are some areas of the proposal that could better take into account the concerns of small generators participating in the process, we recognize proposed improvements and changes to the overall Generator Interconnection Procedure (GIP) that will benefit all generators. The ISO staff recognize that there may be remaining issues needing resolution, but do not want to hold up this proposal. ISO staff indicates those issues will be taken up as soon as this stakeholder process is completed. We look forward to working with the ISO to resolve remaining issues articulated in our comments, in particular comments relating to the changes to the Fast Track process.

2. Do you believe the proposal accomplishes the objectives this initiative was intended to address? If not, please explain.

As indicated above, the proposal goes a long way to resolve issues surrounding how projects can be studied more efficiently, but concerns remain that the process continues to restrict opportunities for small project developers to interconnecting their projects. In particular, we are concerned about the Fast Track interconnection process and offer comments below to address these concerns. Unless the ISO works with stakeholders to resolve issues still outstanding in this area, the ability of small project developers to successfully interconnect and participate in the development of the California's renewable energy market will continue to be thwarted.

3. Do you believe the proposal reflects an appropriate balance of the various stakeholder interests and concerns raised in this process? If not, please explain.

The current proposal still lacks options that will support and accommodate the unique needs of small renewable generators. We recognize that all the needed changes may not be possible in the timeframe of this proceeding, so the Energy Commission staff would suggest that the current proposal be filed as an interim amendment. That will allow time to conduct studies of all distribution level interconnections as a cluster and report results at the end of the year. Once these distribution studies are completed, specific recommendations to change Fast Tract screens can be developed and included in a final amendment to the GIP.

Proposed Annual Cluster Study Track

1. In general, do you support the ISO's proposal to study projects of any size in a single, unified cluster?

Energy Commission staff supports combining the small and large generator Interconnection procedures into a single interconnection procedure with three study tracks. This move acknowledges the interdependence of all interconnection requests and allows the cumulative impacts of small and large projects to be studied together while still providing an expedited process for small generators. We expect that by collectively evaluating the impacts and costs of interconnecting both large and small generation projects, delays and uncertainty for all generators will be reduced.

We also support moving to an Interconnection process that includes three tracks. The first is the Annual Cluster Study Track, which essentially replaces the current SGIP serial study process. We are persuaded that this process, which includes two studies and two application windows and is open to any size project, provides acceptable access to the process for all project developers. We agree that studying projects in clusters rather than one at a time will reduce cost uncertainty and provide both large and small project developers with capped estimates of financial responsibility as soon or sooner than would occur if the ISO continues to rely on serial studies. In light of the delays stakeholders are currently experiencing with the existing SGIP, the proposed 420 calendar day timeline for the cluster study process that the CAISO proposes is reasonable.

Independent Study Processing Track

1. In general, do you support the ISO's Independent Study Processing Track proposal?

The proposed Independent Study Processing Track offers eligible applicants that are electrically independent of the Cluster Study Track projects to have their projects studied independently. We support this option for projects that meet all eligibility requirements. Energy Commission staff would like to see ISO staff detail the specifics of each qualification for entry into the Independent Study Processing Track. As an example, what specifically is required to demonstrate "site control."

Fast Track less than 2 MW

1. Should the ISO remove the 10th screen from the Fast Track? Why or why not?

Energy Commission staff support the removal of Screen #10 in the Fast Track process. If this screen is removed, small generating projects that trigger construction of facilities will still be eligible for the Fast Track providing all other screens are satisfied.

2. Should the ISO increase the size limit for Fast Track qualification? If so, would you support a 5MW size limit or a different value? Explain your reasons.

This track is being retained from the current SGIP. During the stakeholder process, there was very little discussion about whether the 2 MW size limit was right or suggestions that it be changed. At the final stakeholder meeting on July 27, 2010, the 2 MW size limit was raised as an issue. The ISO indicated comments would be taken on the issue before finalizing the draft proposal.

Energy Commission staff is aware that stakeholders representing the interests of small developers have asked that the 2 MW size limit be raised to include projects up to 20 MW that can connect without materially impacting the grid. Energy Commission staff would support increasing the project size for this study track. Five MWs seems reasonable, given the typical grid impact would be manageable. However, staff is concerned that the data and analysis needed to inform this recommendation is not currently available to stakeholders participating in this process. Additionally, other potentially significant changes to the Fast Track process and screens have not been adequately discussed in the stakeholder process.

We also recommend that utility distribution studies be done and coordinated with the ISO before the Participating Transmission Owners request changes to their Wholesale Distribution Access Tariff at FERC.

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

Small developers have indicated that base case data, maps and other relevant up-to-date information needed to determine project viability should be easier to access in advance of submitting an interconnection request. The lack of location specific data and updated information to enable the development of a robust and competitive wholesale generation market is still a problem for developers and requires additional discussion. Energy Commission staff propose that this is a high priority issue and be included, as soon as possible, in a subsequent stakeholder process the CAISO plans to convene after completion of this process.