

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Revised Straw Proposal that was posted on May 11, 2015 and as supplemented by the presentation and discussion during the May 18, 2015 stakeholder meeting.

Submit comments to [initiativeComments@caiso.com](mailto:initiativeComments@caiso.com)

**Comments are due June 1, 2015 by 5:00pm**

The Revised Straw Proposal posted on May 11, 2015 may be found at:

[http://www.caiso.com/Documents/RevisedStrawProposal\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/RevisedStrawProposal_InterconnectionProcessEnhancements2015.pdf)

The presentation discussed during the May 18, 2015 stakeholder meeting may be found at:

[http://www.caiso.com/Documents/Agenda-Presentation\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/Agenda-Presentation_InterconnectionProcessEnhancements2015.pdf)

For each topic that was modified in the Revised Straw Proposal please select one of the following options to indicate your organization's overall level of support for the CAISO's proposal:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

### Topic 1 – Affected Systems

CalWEA Position: Support with qualification.

CalWEA continues to support the incremental changes proposed by the CAISO to its Affected System rules as they further clarify the process that CAISO will use to inform a potential Affected System Operator and state the expectation that said operator will step forward and work with the Interconnection Customer. We are particularly encouraged by the following provision in the GIDAP rules:

*“If the electrical system operator does not make an affirmative representation within thirty (30) calendar days of notification, the CAISO will assume that the electric system is not an Affected System. If an electric system operator comes forward after the established timeline as an Affected System, any mitigation required for a project identified by the Affected System will be the responsibility of the Affected System and not the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer.”*

However, as CalWEA sees it, electrical system operators around the CAISO footprint, many of which are not even FERC jurisdictional, have no obligation to follow these CAISO GIDAP rules. Furthermore, even if an electrical system operator does step forward and identify itself as an Affected System within the CAISO-prescribed timeline of 30 days, it is under no obligation to complete its analysis of the impact of the generation addition within a time period that will be consistent with the development of a generation project. Finally, even if the identified Affected System operator performs its study on time, it has no obligation to come up with reasonable, let alone least-cost, system upgrades that would address the identified impact of the generator on the Affected System.

These major uncertainties could be fatally detrimental to the development of a new resource in the CAISO footprint, not only because CAISO may prevent the resource from becoming operational if it cannot produce evidence from the Affected System that it will not cause any problems, but also because the Affected System could produce a study report with proposed mitigations at a late stage of project development that could create liabilities rendering the resource infeasible to develop. Because of these potentially grave effects on project developments, CalWEA must continue to insist that the application of CAISO’s Affected System rules be limited to those electrical systems that have adopted Affected System rules similar to

CAISO's and are willing to enter into a reciprocal agreement with CAISO obligating both parties to certain study timelines and guidelines for the development of the needed system upgrades.

### **Topic 2 – Time-In-Queue Limitations**

CalWEA Position: Support with qualification.

CalWEA wishes to clarify two points here:

1. It is not uncommon for PTOs to delay the network upgrade timeline after the Phase 2 study is issued. These network upgrade delays could force a project to postpone its in-service date (ISD) or commercial operation date (COD) beyond the 7/10-year deadline in the CAISO tariff. Therefore, the GIP/GIDAP rules should exclude from the 7/10-year timeline ISD/COD delays caused by PTO delays in completion of network upgrades as long as the project requests its ISD/COD delay within 6 months of the PTO's announcement of network upgrade completion delays whenever that announcement is made.
2. If a serial project that is delaying its ISD past the 10-year limit is to lose its deliverability status as a result of not meeting the required commercial viability criteria, as specified in this CAISO IPE topic, it should be allowed to decide whether it wants to be restudied to determine its reliability-only network upgrades. In other words the project should be allowed to choose to finance its originally required network upgrade even though it is losing its deliverability status. CAISO should also clarify how a generator will be treated if it wants to be restudied for reliability only, i.e., whether it will be placed at the back of the queue, have to post more deposits, etc.

### **Topic 3– Negotiation of Generator Interconnection Agreements**

CalWEA Position: Support with qualification.

This rule change would impose a four-month deadline for executing a GIA, which would be reasonable if – and only if -- the rule also imposes some timeline discipline on the PTOs and the CAISO. It is not at all uncommon for an Interconnection Customer (IC) to offer its comments on the PTO tendered GIA (or a later draft version of the document) and then wait for several weeks before receiving any response from the CAISO or the PTO. And, although a lot less common, it is possible that the final agreement on the GIA is delayed due to a disagreement between the CAISO and the PTO. Finally, even after consensus is achieved by all parties on the

GIA, it is not at all uncommon for the CAISO or PTO to take weeks to execute the agreement. Forcing the IC to drop out of the queue or to declare an impasse (and filing the GIA at FERC unexecuted, which is a very burdensome process) under these conditions is completely unreasonable. Hence, if the four-month deadline on executing the GIA is to be rigidly enforced, the rule should stipulate (1) that the CAISO and PTO must respond within one week to comments by the IC on a draft GIA, and that the CAISO and PTO must fully execute the GIA that all parties have agreed to within one week, or (2) that the four-month deadline will be extended by the length of any additional time that is taken.

#### **Topic 5 - Stand-Alone Network Upgrades and Self-Build Option**

CalWEA Position: Fully support the changes made by the CAISO to clarify the process and outline explicit financial obligations for ICs that elect to self-build a Stand Alone Network Upgrade (SANU). We appreciate the clarification that this will have no impact on an IC's right to build its SANU.

#### **Topic 7 - Conditions for Issuance of Study Reports**

This topic concerning updates to final interconnection study reports was removed from the template for comments. CalWEA added it back because it sees a serious concern with the CAISO proposal in that CAISO is proposing to treat changes initiated by the PTO in a similar fashion as changes initiated by the Interconnection Customer. The reform proposal states the following:

“Updates due to modification by the Interconnection Customer **or the Participating TO(s)**: The CAISO will issue a facilities reassessment report to the Interconnection Customer. The modifications should be a result of a material modification analysis. Once approved, the CAISO, in coordination with the applicable Participating TOs, will assess any resulted changes to the scope, schedule, and cost of the Interconnection Facilities and Network Upgrades assigned to the Interconnection Customer.”

One of the major goals of this reform proposal is to ensure that additional costs related to network upgrades triggered by requested modifications are not transferred from the IC to the PTO. However, the IC should be responsible for changes in schedule and costs only if it has made the modification request, not when these modifications are requested by the PTO. CalWEA's position is completely consistent with cost causation principles broadly advocated and followed by the CAISO.

#### **Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process**

CalWEA continues to have no position on the CAISO revised proposal on this topic.

**Topic 11 –TP Deliverability Option B Clarifications**

CalWEA continues to have no position on the CAISO revised proposal on this topic.