

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) Issue Paper/Straw Proposal for Topics 1- 11 that was posted on March 23, 2015 and as supplemented by the presentation and discussion during the March 30, 2015 stakeholder meeting.

Submit comments to initiativeComments@caiso.com

Comments are due April 10, 2015 by 5:00pm

The Issue Paper/Straw Proposal for Topics 1- 11 that was posted on March 23, 2015 may be found at:

http://www.caiso.com/Documents/IssuePaper-StrawProposal_InterconnectionProcessEnhancements2015.pdf

The presentation for the March 30, 2015 stakeholder meeting is available on the ISO website at: http://www.caiso.com/Documents/Agenda-Presentation-InterconnectionProcessEnhancements2015_IssuePaper-StrawProposal.pdf

For each topic, 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.

The California Wind Energy Association (CalWEA) supports the provisions that have been added to the previously proposed Affected System requirements and process in the GIDAP tariff and BPM, which outline the roles and expectations of the CAISO, the Interconnection Customer, and Affected Systems and set a timeframe in which Affected Systems are expected to identify themselves in the process. However, it is essential that the CAISO limit Affected Systems to those neighboring Balancing Authority Areas (BAAs) that have Affected Systems interconnection tariff requirements similar to that of CAISO's. This limitation is consistent with the FERC's reciprocity principles, generally practiced among electric power utilities, and is consistent with good utility practice. The FERC's reciprocity principles require non-public-utility transmission providers that choose to access a public utility's transmission facilities to provide, in exchange, "reciprocal" transmission service on comparable terms.

Topic 2 – Time-In-Queue Limitations

CalWEA Position: Support with qualification.

CalWEA broadly supports this generation interconnection process reform, which would require that Generating Facilities meet and maintain certain commercial viability criteria in order to extend their in-service date (ISD) or commercial operation date (COD) beyond the current 10/7 year thresholds (serial study/cluster study). Failure to maintain commercial viability would result in loss of Full Capacity Deliverability Service ("FCDS") or Partial Capacity Deliverability Status ("PCDS"), but ISD or COD extensions could be obtained with Energy Only status conditioned on a material impact review by the CAISO and the impacted PTO.

However, an interconnection customer requesting an ISD or COD delay whose project would cause a material impact should be allowed to delay on condition that the impact is mitigated. We understand that such mitigation would principally require the interconnection customer to build (or finance) the reliability network upgrades assigned to their project if the material impact review shows that later-queued projects need such upgrades in order to reliably interconnect onto the CAISO controlled grid.

Topic 3– Negotiation of Generator Interconnection Agreements

CalWEA Position: Support with qualification.

CalWEA broadly supports this generation interconnection process reform that would start the GIA negotiation timeline working backwards from the ISD based on the longest lead-time for constructing all required facilities. In addition, the CAISO or the Participating TO may declare that negotiations are at an impasse and Interconnection Customers would be responsible for extending their ISDs and CODs as appropriate.

However, we request that a project whose COD is discovered to be unattainable at the time that GIA negotiations start, based on the proposed formula for estimating the construction time for Interconnection Facilities, be informed of the unattainable COD and allowed up to 60 days to either:

1. Develop an attainable COD consistent with the formula; and/or
2. To the extent allowed by the relevant tariff and good utility practice, the project would step in to build the upgrades necessary for its project at a faster pace than the one proposed in the Phase 2 study (or equivalent).

Topic 4 -Deposits

Interconnection Request Study Deposits

Limited Operation Study Deposit

Modification Deposits

Repowering Deposits

CalWEA Position: Support with qualification.

CalWEA understands that the study deposit structure for Interconnection Requests has proven insufficient to cover actual study costs for the majority of projects. In developing a new structure, we ask that CAISO consider the following two circumstances:

- Consider whether Energy Only interconnection applications warrant lower deposits. Energy Only projects do not study deliverability upgrades and thus will have lower interconnection study requirements and lower interconnection study costs.
- Allow projects to withdraw from the process after the Phase 1 study results meeting with a partial refund. A \$150,000 deposit requirement constitutes a major expenditure, particularly for small projects, before the project receives any meaningful information

about its transmission impact. If the interconnection study deposit is to be set at this level, a project should be allowed to withdraw after its Phase 1 study results meeting and receive its full deposit, less actual interconnection study costs, back from the CAISO.¹ Furthermore, CAISO should consider instituting some form of low-cost screening study to help interconnection customers obtain a high-level estimate of their network impact before they have to make a deposit.

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

CalWEA Position: Fully support .

CalWEA supports CAISO's proposal to clarify the process and outline explicit financial obligations for ICs that elect to self-build a Stand Alone Network Upgrade (SANU). However, we caution that no tariff changes should be made that would erode an IC's right to build its SANU.

Topic 6 - Allowable Modifications Between Phase I and Phase II Study Results

CalWEA Position: Fully support.

Similar to our position on Topic 2, above, CalWEA emphasizes that CAISO should allow an IC to mitigate material impacts where a material impact review shows that a material impact will occur due to proposed project modification(s).

Topic 7 – Conditions for Issuance of Study Reports

CalWEA Position: Support with qualification.

While CalWEA broadly supports CAISO's reform proposal regarding updates to final interconnection study reports, we have a major issue with CAISO 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

¹ In order to prevent untimely withdrawal of interconnection applications in a cluster-based study, the minimum interconnection study cost for projects withdrawing between 30 days after the Scoping Meeting and the Phase 1 Study Results Meeting should be set at \$75K.

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 Interconnection Customer to the PTO. However, the Interconnection Customer 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. This position is completely consistent with cost causation principles broadly advocated and followed by the CAISO.

Topic 8 - Generator Interconnection Agreement Insurance

CalWEA has no position on this generation interconnection process reform that updates insurance terms and conditions to current industry standards.

Topic 9 - Interconnection Financial Security

Process Clarifications

Posting Clarification

CalWEA Position: Support with qualification.

CAISO proposes that projects whose TP Deliverability affidavits claim self-financing not be eligible for any refund of their Network Upgrades Financial Security posting if they withdraw from the interconnection process due to inability to secure a PPA. CalWEA understands the need for this reform in order to prevent gaming by such projects. However, CalWEA believes that the following changes are necessary:

1. Projects that attest to self-financing should be allowed to receive a refund on their entire Network Upgrades Financial Security posting if they withdraw altogether from the interconnection process within one year from the date of making the self-financing claim in their original TP Deliverability affidavit (the one submitted after the completion of the Phase 2 Study);
2. Projects that attest to self-financing should be allowed to receive a refund on their Reliability Network Upgrades Financial Security posting if they withdraw from the interconnection process after one year from the date of making the self-financing claim

in their original TP Deliverability affidavit (because there could have been no gaming on the RNU); and

3. Projects that attest to self-financing should be allowed to receive a refund on their Delivery Network Upgrades Financial Security posting if they withdraw their self-financing claim within one year from the date of making such claim and lose their TP Deliverability allocation as a result of withdrawing their self-financing claim.

Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process

CalWEA has no position on this proposal to clarify its current language to more explicitly require Interconnection Requests in the Generator Downsizing Process to remain in the downsizing process until completion of the downsizing study.

Topic 11 –TP Deliverability Option B Clarifications

CalWEA has no position on this proposal to clarify that only Interconnection Customers with Area Delivery Network Upgrades identified in their Phase I Interconnection Study reports may select TP Deliverability Option B, and that all Generating Facilities must still meet minimum criteria to be eligible to receive a TP Deliverability allocation.