

JOINT COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION AND THE LARGE-SCALE SOLAR ASSOCIATION ON PROPOSED GENERATOR INTERCONNECTION PROCESS TARIFF CHANGES

The California Wind Energy Association (CalWEA) and the Large-scale Solar Association (LSA) offer these comments on the September 30th proposed tariff changes needed to implement the CAISO's Generator Interconnection Process (GIP) Reform proposal. Our comments focus on provisions that are unclear and/or contain new or changed language from the Draft Final Proposal. Lack of comment on any particular provision should not be interpreted as support for it.

We appreciate the opportunity to comment and look forward to working with the CAISO and other stakeholders to finalize the GIP tariff revisions.

Section 3 – Interconnection Requests

Section 3.1 – General

- **Proposed language**

If the Interconnection Customer has submitted multiple Interconnection Requests for the same site, then within (10) Business Days after the Scoping Meeting, the Interconnection Customer must chose a single Interconnection Request for that site to continue in the interconnection process and all other requests will be deemed withdrawn.

- **Comments/questions**

- **Default position:** What happens if the Interconnection Customer (IC) submits multiple duplicative/overlapping Interconnection Requests (IRs) for the same site but does not notify the CAISO of its choice by this deadline?
- **Allowed multiple requests, if any:** The CAISO should clarify the rules around multiple submission and evaluation of IRs for the same site, and the conditions under which more than one can be evaluated through the applicable study processes. For example:
 - Can the IC submit Interconnection Requests (IRs) for the same site to the CAISO (with a CAISO grid interconnection point, under the CAISO tariff) and the Distribution Provider (with a distribution interconnection point, under the WDAT), and have each studied through the applicable two different processes?
 - Can the IC submit two IRs into the CAISO queue for two projects on the same site whose COD is significantly different, e.g., more than 3 years apart, and have both studied there?

Section 3.3.1 – Timing for Submitting Interconnection Requests in Queue Cluster

- **Proposed language**

Except for Interconnection Customers requesting processing under the Independent Study Process or Fast Track Process, Interconnection Requests must be submitted during a Queue Cluster Application Window. There will be two Cluster Application Windows associated with each Interconnection Study Cycle. The first Cluster Application Window will open on October 15 and close on November 15 of the year prior to the year in which the Interconnection Studies are performed. The second Cluster Application Window will open on March 1 and close on March 31. In the event that any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

For the CAISO's fourth Queue Cluster, there will only be one Cluster Application Window, which will open on March 1, 2011 and close on March 31, 2011.

- **Comments/questions:** Consistent with prior comments, CalWEA and LSA support two one-month Queue Cluster Application Windows per year. However, it is not clear why the proposed windows aren't separated by 6 months, i.e., if one window is March 1st-31st, why isn't the second September 1st-30th? Is this related to study timing? Please clarify.

Section 3.5.1(i) – Initiating An Interconnection Request

- **Proposed language**

An Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, up to a maximum of \$250,000. With respect to Interconnection Customers that have submitted Interconnection Requests but do not qualify for the Serial Study Group as described in Appendix 8: (1) if such customers have posted an Interconnection Study Deposit that is less than the amount required by this section, such Generating Facilities must post the difference between the amount posted and the amount required by this section within thirty (30) Business Days of a FERC order accepting this provision; (2) if such customers have posted an Interconnection Study Deposit that is greater than the amount required by this section, such customers will receive a refund equal to the difference between the amount originally posted and the amount required under this section within thirty (30) days of a FERC order accepting this provision.

- **Comments/questions**

- **Terminology:** The use of certain terminology to refer to current SGIP queue projects and their transition to the new framework that is identical to the earlier LGIP reform terminology (i.e., "Serial Group" and "Transition Cluster") is very confusing, and inconsistent with the CAISO's own definition in proposed GIP Appendix 8 (see below). Consistent with the GIP Appendix 8 definitions, the CAISO should use "SGIP Serial Group" here instead of "Serial Group;" likewise, "SGIP Transition Cluster" should be used when referring to that group, instead of "Transition Cluster."
- **"Serial Group" exemptions:** The exemptions from this section should refer to both: (1) the (LGIP) Serial Group, as defined in CAISO Tariff Appendix Y, Attachment 2 (check); and (2) the SGIP Serial Group.

- **ICs not in the Serial Groups that posted more than the proposed Study Deposit:** We understand from the stakeholder process that the CAISO meant to apply the Study Deposit refund provision to apply to current LGIP Cluster #3 ICs. However, the proposed language appears to apply to all ICs, including all LGIP cluster projects still in the study process, e.g., LGIP Cluster Projects and LGIP Cluster 1 and 2 projects. Is that the CAISO’s intent?

Section 3.5.1.2 – Use of Interconnection Study Deposit: The LGIP references in subsections (c) and (d) should be changed to GIP.

Section 3.5.1.3 – Obligation for Study Costs (*proposed revision to current LGIP language*)

- **Current language**

With respect to Interconnection Customers that have the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study.

- **Comments/questions:** The CAISO should clarify whether “pro rata” means an equal allocation per project, per MW, or some other factor.

Section 3.5.1.5 – Proposed Commercial Operation Date (*proposed revision to current LGIP language*)

- **Current language**

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period.

- **Comments/questions:** Given the 8-year estimates for some LGIP Transition Cluster transmission upgrades, it’s clear that an IR could have a COD more than 7 years out (e.g., if it will be located in an area with such long-duration upgrades), for reasons other than the time needed to construct the generating plant. The CAISO should revise this language to recognize those situations, e.g., by allowing the COD to be the later of 7 years from IR submission or 3 years after expected Network Upgrade completion in the area where the plant will be located.

Section 4 – Independent Study Process (ISP)

Section 5 – Fast Track Process (FTP)

Failure of a project submitted into the Independent Study Process (ISP) or Fast-Track Process (FTP) to qualify under that submittal

- **Proposed language**

Section 4.1.6 (ISP): Any Interconnection Request that does not satisfy the criteria set forth in Sections 4.1.1, 4.1.2, and 4.1.3 of the GIP shall be deemed withdrawn, without prejudice to the Interconnection Customer submitting a request at a later date.

Section 5.5.2.4.1.4 (FTP): If not, the Interconnection Request will be deemed withdrawn, without prejudice to the Interconnection Customer resubmitting its Interconnection Request for processing in either a Queue Cluster or under the Independent Study Process.

- **Comments/questions:** Depending on the timing of the ISP/FTP project submission and the CAISO/PTO finding that the project does not qualify for the ISP/FTP, the project may have to wait many months for the next application window. However, the project may still otherwise be ready to proceed quickly, depending on the reason for the qualification failure.

While this situation may not be avoidable, the CAISO should include a provision allowing such projects to be included in a cluster where the application window has already closed, if: (1) the ISP/FTP application was otherwise valid; and (2) the project can be included in the Phase I Studies for that cluster without delaying the performance of those studies.

Section 4.2.1 – Flow Impact Test

- **Proposed language**

The CAISO, in coordination with the applicable Participating TO(s), will perform the flow impact test for each Interconnection Request requesting processed under the Independent Study Process as follows:

- (i) Identify the transmission facility closest, in terms of electrical distance, to the proposed Point of Interconnection of the Generating Facility being tested that will be electrically impacted, either as a result of Network Upgrades identified or reasonably expected to be needed by Generating Facilities currently being studied in a Queue Cluster, or as a result of Network Upgrades identified or reasonably expected to be needed by earlier queued Generating Facilities currently being studied through the Independent Study Process. If the current Queue Cluster studies or earlier queued Independent Study Process studies have not yet determined which transmission facilities require network upgrades, the Generating Facility being tested must wait for such determination prior to the CAISO conducting the independence analysis.
- (ii) The incremental power flow on the transmission facility identified in 4.2.1(i) that is caused by the Generating Facility being tested will be divided by the lesser of the Generating Facility's size or the transmission facility capacity. If the result is five percent (0.05%) or less, the Generating Facility shall pass the flow impact test. This test shall be conducted assuming normal system conditions with no contingencies.
- (iii) If the Generating Facility being tested under the flow impact test is reasonably expected to impact transmission facilities identified per section 4.2.1 (i) when testing one or more earlier queued Generating Facilities currently being studied through the Independent Study Process, then an additional aggregate power flow test shall be performed. The aggregate power flow test shall require that the aggregated power flow of the Generating Facility being tested plus the flow of all earlier queued Generating Facilities currently being studied under the Independent Study Process that impact transmission facilities identified per Section 4.2.1(i) be (5) percent or less of the transmission facility's capacity to pass the flow test. Likewise, if the aggregate power flow on any transmission facility identified per Section 4.2.1 (i) is greater than five (5) percent of the

transmission facility capacity but the incremental power flow as a result of the Generating Facility being tested is one (1) percent or less than of the transmission facility's capacity, the Generating Facility shall pass the test. These tests shall be applied assuming normal system conditions with no contingencies. The Generating Facility being tested must pass both this aggregate test as well as the individual flow test in 4.2.1 (ii), in no particular order.

- **Comments/questions**

- **Typo:** The parenthetical value in subsection (ii) should be corrected, presumably to 5%.
- **General comment:** In addition to a few typos, we find this procedure and language to be somewhat confusing – an example would be very helpful in clarifying the CAISO's intent. Furthermore, as CalWEA has noted before, regardless of the good CAISO and PTO intentions, the electrical independent test is arbitrary and will likely become subject of many arguments.

Section 4.2.2 – Short Circuit Test

- **Proposed language**

If the short circuit contribution from the Generating Facility (existing or proposed) being tested at the transmission facility identified in GIP Section 4.2.1(i) is less than 100 amperes, the Generating Facility shall pass the short circuit test.

- **Questions/comments**

- The short circuit test is unnecessary, because any upgrade overlap as a result of this test will likely be trivial.
- If the test is nevertheless retained, it should be modified to recognize short-circuit software limits. For example, SCE has indicated that its short-circuit software only has a resolution of 100 amps; thus, assuming normal rounding, it cannot distinguish between 51-amp and 100-amp contributions. If so, the criteria requires more precision than the modeling tool can support, and we recommend changing the threshold to 150 amps. Above that threshold, the CAISO could also consider using a percentage-based variable, rather than a fixed value.

Section 6 – Interconnection Study Process for Queue Clusters

Section 6.2 – Scoping Meeting

- **Proposed language** (*edits below show proposed revisions to current LGIP*)

The CAISO shall prepare minutes from the meeting, and provide the Interconnection Customer and the other attendees and opportunity to confirm the accuracy thereof, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.

- **Comments/questions**

- **Grammar:** Change “and” to “an” in second row above.

- **Relationship to current initiative:** The proposed changes do not seem to be related to or required by the SGIP reforms. However, we support the formal requirement to memorialize the meeting discussion.
- **Substance of the change:** These revisions seek to change the meaning of this provision from requiring concurrence by the IC to simply giving the IC the opportunity to comment. At the very least, the final minutes should reflect any disagreements by the IC with the CAISO's account of the meeting.

Section 6.6 – Use of Per-Unit Costs to Estimate Network Upgrade Costs

- **Proposed language**

Each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems.

- **Comments/questions**

- **Annual updates:** Why is the requirement to update the costs being deleted?
- **Additional detail:** The language should specify that these are expected costs but should be “benchmarked” against recently incurred PTO costs.

Section 6.8 – Phase I Interconnection Study Procedures *(revisions to current language)*

- **Affected System involvement:** The language should be revised to provide for Affected Systems to be brought in at the early stages of the process, e.g., for Base Case development and review/comment of the draft report.
- **Study issuance timing:** The CAISO should issue studies as they are completed – e.g., if studies for some clusters, or by some PTOs, are completed ahead of others. There is no reason to deprive ICs of the additional review time, or earlier input that can be used in development activities for the projects being studied or other projects.

Section 8 – Additional Delivery Assessment Options

Section 8.1 – One-Time Full Capacity Deliverability Option

- **Proposed language**

8.1.1 A Large Generating Facility previously studied for deliverability as Energy-Only Deliverability Status or as Small Generating Facility under the CAISO Tariff will have a one-time option to be studied for Full Capacity Deliverability Status.

8.1.2 An Interconnection Customer must make such election within the Cluster Application Window for the CAISO's fourth Queue Cluster, which will open on March 1, 2011.

8.1.3 Any Interconnection Customers selecting this option will be studied as part of the Phase I and Phase II Interconnection Studies for the CAISO's fourth Queue Cluster.

8.1.4 Interconnection Customers electing this one-time option will be required to post a study deposit in the amount set forth in Section 3.5.1 of this GIP, less any study deposit amounts already paid if the Interconnection Customer's Generating Facility is still in the CAISO's interconnection queue.

- **Comments/questions**

- **Terminology:** The CAISO should consider using a different term besides “deliverability” to refer to an Energy-Only project – e.g., Energy-Only “interconnection” – because that term is usually associated only with Full Capacity interconnections.

- **Applicability**

- **Prior LGIP Energy-Only projects:** CalWEA and LSA support allowing prior LGIP Energy-Only projects to be studied for Full Capacity status under this provision.

- **Distribution-level projects:** There was extensive discussion in the stakeholder process about allowing generation projects interconnected (or interconnecting) under WDAT or other distribution-level arrangements (e.g., those in CAISO-area municipal utility territories) to:

- Also receive the one-time opportunity to get a Deliverability Assessment in CAISO GIP Cluster #4, like CAISO tariff SGIP and Energy-Only LGIP projects; and

- Do the same in the future, if they enter the interconnection process through the WDAT or other applicable arrangements and those arrangements have not been modified to match the CAISO’s proposed GIP changes.

However, the proposed language does not appear to apply to WDAT or other distribution-level projects at all. The CAISO should change the proposed language to include those projects, as described above.

- **Deposit requirements for this deliverability option:** Please clarify the deposit requirements for projects electing only a Deliverability Assessment in Cluster #4.

- **Projects “in the CAISO’s interconnection queue” (Section 8.1.4):** If a project is on-line, isn’t it still listed in the interconnection queue? What is intended here?

Section 8.2.4.3

- **Proposed language**

If the assessment of available transmission capability conducted under this GIP Section 8.2.4 indicates that there is some transmission capacity available for use by the Interconnection Customer, but less than is necessary to deliver the full output of the Interconnection Customer’s Generating Facility, then the Interconnection Customer’s Generating Facility will be considered to be partially deliverable, and the amount of transmission capability made available to that Interconnection Customer’s Generating Facility will be equal to the determination of available capacity for the Generating Facility rounded down to the nearest 50 MW increment.

- **Comments/questions**

- There is no apparent reason why larger projects cannot get less than 50 MW of partial deliverability. For example, a considerable amount of value might be added to a 50 MW project by a 40 MW deliverability designation. The CAISO’s recent Technical Bulletin seems to allow generation projects to get partial deliverability through the interconnection process without any minimum increment, and there does not appear to be a reason why a minimum increment would apply here.

If it is necessary to establish a lower limit, that limit could consider the magnitude of the “transfer capability” of the limiting transmission component, e.g., the line or corridor. This approach would set the minimum increment at the lower of (1) 50 MW; or (2) some percentage of the transfer capability of the limiting transmission element, e.g., 5-10%.

- Language should be added to implement Section 4.4.2.(5) of the Draft Final Proposal, which provided that conceptual transmission congestion mitigation plans would be identified for generation assessed in the annual deliverability study that were denied Full Capacity, and would be considered in the ISO comprehensive transmission planning process.
- Generally speaking, the ability of FC projects to get partial deliverability through the interconnection process before all Deliverability Network Upgrades are complete should be clarified in this tariff filing.

Section 9 – Interconnection Financial Security

Section 9.2

- **Proposed language (revised LGIP):** The proposed language accurately reflects the \$15 million Second IFS Posting cap in the Draft Final Proposal.
- **Comments/questions:** We assume that, if FERC approves this CAISO proposal, it would apply to all Second IFS Postings, including those due from the Transition Cluster in early 2011. Please confirm that interpretation.
 - **Applicability to current LGIP cluster-study projects:** Please clarify here that, if FERC approves this CAISO proposal, it would apply to all Second IFS Postings, including those due from the Transition Cluster in early 2011.
 - **ISP IFS posting timing:** The proposed language shows the Initial IFS Posting due only 30 CDs after the SIS results are provided. As the Results Meeting may not happen until 20 BDs after the study release, that initial posting may be due almost concurrently. The Results Meeting should occur at least 14 CDs before this IFS posting is due, to allow for the sufficient IC consideration of the information from the meeting.

Sections 9.3.1 & 9.3.2 – policy issue with current process: The Phase II Study is issued to the IC in final form, without opportunity for revision based on IC comments, and CAISO/PTO resistance to additional study and revision. However, it is possible that additional study work might be performed pursuant to an E&P agreement, and/or the CAISO, PTO, and IC might agree to changes in the Network Upgrades or PTO Interconnection Facilities in the process of negotiating the (L)GIA.

The tariff language should be revised to recognize these practical realities, i.e.: (1) provide that the Second IFS posting amounts for Network Upgrades would be based on the amounts in the GIA; and (2) the IFS posting amounts should be adjusted to reflect any later changes in Interconnection Facility, Distribution Upgrade, or Network Upgrade cost estimates, e.g., if other projects drop out and some of the anticipated Network Upgrades for the cluster are no longer needed.

GIP Appendix 1 – Interconnection Request – Attachment A

Section 1a: The requirement should provide that allow the IC to provide the electrical data to populate the PSLF models, since not all generators have access to the PSLF software and can provide the data in the *.epc format.

Section 11a – Collector System Equivalenced Impedance Data: The data request is inconsistent – it asks for equivalenced data but refers to the data for each collector circuit. Instead, the equivalenced data should be submitted as per the draft “WECC Guide for Representation of Photovoltaic Systems In Large-Scale Load Flow Simulations” or its wind counterpart (WECC Wind Power Plant Power Flow Modeling Guidelines” dated May 2008). These documents include a data form to be completed by the IC for the equivalenced model.

GIP Appendix 4 – Agreement for Allocating GIP and Study Responsibilities Attachment A – Interconnection Study Responsibility Allocation

Queue cluster study timeline: Please reconcile the timeline with the 420 days for the entire GIP process mentioned in the stakeholder process and CAISO Board meeting materials.

Other study process timelines: Please provide similar timelines (reconciled to the totals discussed in the stakeholder process) for the Independent Study and Fast Track Processes.

GIP Appendix 8 – Additional Delivery Assessment Options

Section 1.2.2 – Special Definitions for this GIP Appendix 8

- **Proposed language**

In this Appendix 8 to the GIP, the following words and expressions shall have the meanings set opposite them:

"**SGIP Serial Study Group**" shall mean those Interconnection Customers with valid Interconnection Requests submitted pursuant to Appendix S of the CAISO Tariff prior to December 15, 2010 and who have executed a System Impact Study or Facilities Study Agreement providing for the completion of such studies by December 15, 2010.

"**SGIP Transition Cluster**" shall mean those Interconnection Customers with valid Interconnection Requests submitted pursuant to Appendix S of the CAISO Tariff prior to December 15, 2010 and which have not executed a System Impact Study or Facilities Study Agreement that provides for the completion of such studies by December 15, 2010.

- **Comments/questions**

➤ **General terminology:** See comments above on terminology consistency – these definitions should be applied consistently throughout the new GIP document.

- **Serial/Transition Cluster criteria:** The date here for distinguishing between the SGIP Serial and Transition Cluster projects is considerably different from the July 30th date in the Draft Final Proposal. Please explain the reason for the date change.
- **Closing the current SGIP:** The Draft Final Proposal would have closed the current SGIP as of September 30th but there has been no announcement of that change, and closing the SGIP is not mentioned in the proposed language. Please:
 - *Explain the CAISO's intentions* with respect to closing the SGIP; and
 - *Confirm that any last-minute "gold rush" of SGIP applications will not delay study due dates* for the SGIP Transition Cluster, any prior LGIP projects, or future GIP projects, to the extent that the SGIP is to be closed at some time in the future (e.g., on December 15th).

Section 2 – Queue Position

- **Proposed language**

The Queue Position of any Interconnection Request included in the SGIP Transition Cluster shall be deemed to be lower than that of any Interconnection Request included in the SGIP Serial Study Group for purposes of performing Interconnection Studies for Generating Facilities whose Interconnection Requests are in the SGIP Serial Study Group.

- **Comments/questions:** We note that the SGIP Transition Cluster is to be studied in the Phase II Studies for LGIP Clusters #1 and #2 (see concerns about that below). What is the respective "Queue Position" of the SGIP Serial Group and Transition Cluster projects with respect to those LGIP clusters?

Section 3.2 – Transition of Projects in SGIP Serial Study Group

- **Proposed language**

An Interconnection Request deemed to be included in the SGIP Serial Study Group that wishes to be studied as a Full Capacity Deliverability Generating Facility will continue to be processed per the procedures set forth in Appendix S to the CAISO Tariff for Energy-Only deliverability, with a Full Capacity deliverability assessment to be performed as part of the next Interconnection Study Cycle following the completion of the serial portion of the Generating Facility's studies pursuant to Appendix S.

- **Comments/questions**

- How likely is it that the SGIP Serial Group study process will be completed by the July 31st, 2011 date that SGIP Transition Cluster studies are to be finished? If that likelihood is low, how would upgrades for these projects be treated in studies for the later-queued projects?
- If SGIP Transition Cluster projects can enter Cluster #4 to get a Deliverability Assessment, before their EO studies are complete, why can't SGIP Serial Group Projects do the same?
- What is the relative Queue Position of SGIP Serial Group projects compared to the various LGIP clusters?

Transition of Generating Facilities in SGIP Transition Cluster

Section 4.1

- **Proposed language**

An Interconnection Request deemed to be included in the SGIP Transition Cluster (including those Generating Facilities defined as part of the SGIP Serial Study Group who choose to be processed in the SGIP Transition Cluster) that wishes to be studied as an Energy-Only Deliverability Generating Facility shall be processed per the procedures set forth in Appendix Y to the CAISO Tariff and studied as part of the Phase II Interconnection Study for the CAISO's first and second Queue Clusters, which is scheduled to begin on January 1, 2011 and be completed on July 31, 2011. Alternatively, Interconnection Requests deemed to be included in the SGIP Transition Cluster may, by indicating in writing, within five (5) Business Days from the effective date of this Appendix 8 to the GIP, elect to be studied for Full Capacity deliverability, or, if eligible, as part of the Independent Study Process set forth in Section 4 of Appendix Y.

- **Comments/questions**

- **Continuation of EO studies for FC projects:** The CAISO should clarify that SGIP Transition Cluster projects electing full deliverability would both stay in the SGIP Transition Cluster study (to be completed by July 2011) and enter Cluster #4 (specifically) to be studied under Appendix Y. This would clarify that such projects wanting FC status would not leave the Transition Cluster process but would additionally enter Cluster #4 for that limited purpose, as stated in proposed GIP Section 8.1.2.
- **Relative “queue positions” of SGIP and LGIP clusters:** We understand that, though LGIP Clusters 1 and 2 are studied together in one Phase II study, Cluster 1 projects are sequenced ahead of Cluster 2 projects in that study, for purposes of determining and allocating transmission-upgrade costs. Is this understanding accurate? If so, what is the relative queue position of the SGIP Transition Cluster in the July 2011 study?

Section 4.2

- **Proposed language**

An Interconnection Request deemed to be included in the SGIP Transition Cluster that wishes to be studied as a Full Capacity Deliverability Generating Facility shall be studied for Energy-Only deliverability as part of the Phase II Interconnection Study for the CAISO's first and second Queue Clusters, with a Full Capacity deliverability assessment to be performed as part of the CAISO's fourth Queue Cluster, which is scheduled to begin on June 1, 2011.

- **Comments/questions**

- This provision seems to duplicate Section 4.1 above, with only the Cluster #4 study start-date detail added.
- Why can't SGIP Transition Cluster projects wanting Full Capacity deliverability be studied for that purpose in the same Cluster 1-2 Phase II Study (due July 2011) that is proposed to address their Reliability Network Upgrades as Energy-Only projects? Why must they wait until Cluster 4 for that Deliverability Assessment?

Section 4.3

- **Proposed language**

An Interconnection Customer in the SGIP Transition Cluster must post, within thirty (30) calendar days of the effective date of this Appendix 8, all of the following: (i) a Study Deposit equal to the amount set forth in Section 3.5.1 of Appendix Y, if it has not done so already; and (ii) a Demonstration of Site Exclusivity, if it has not done so already. An Interconnection Customer that does not satisfy these posting requirements will be withdrawn from the SGIP Transition Cluster. Interconnection Customers who withdraw from the SGIP Transition Cluster will be refunded the entire amount of their Study Deposit upon withdrawal, less any amounts that the CAISO, Participating TO(s), and third parties have incurred in performing studies on the Interconnection Customer's behalf.

- **Comments/questions**

- **Site Exclusivity:** Requirement (ii) makes no sense here, because SGIP projects had to demonstrate Site Control (a stronger demonstration than "Site Exclusivity") to have had a valid SGIP IR. Moreover, even if they did not meet this requirement for some reason, they should be allowed to post an "in-lieu" deposit instead, since they are effectively being studied in the (L)GIP process.
- **Refund provisions:** These provisions should exclude "third parties;" costs for any third parties under CAISO or PTO contract would count under CAISO-/PTO-incurred expenses.

Section 4.4

- **Proposed language**

At the conclusion of the Phase II Interconnection Study for the CAISO's first and second Queue Clusters, each Interconnection Customer remaining in the Transition Cluster shall receive a Phase II study report, which will indicate each Interconnection Customer's allocated share of costs for Interconnection Facilities and Reliability Network Upgrades. If the Interconnection Customer wishes to continue in the queue, the Interconnection Customer must sign and execute an Interconnection Study Agreement within ninety (90) calendar days of receiving the final report and post the required Financial Security as set forth in Section 9.3 of Appendix Y.

- **Comments/questions:** This provision is confusing.

- Why would an IC have to execute a Study Agreement after the studies are complete? It makes more sense for the IC, in addition to posting IFS to remain in the queue, to also execute a new Study Agreement at that time.
- If the study process is per Appendix Y, as noted above, wouldn't the IFS provisions there apply anyway?