

California Independent System Operator
151 Blue Ravine Road
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June 3, 2010

***NextEra Energy Resources Comments on the CAISO's Proposed Draft
Interconnection Tariff Language dated May 25 and 26, 2010***

NextEra Energy Resources, LLC ("NextEra") owns and operates over 1000 MW of wind and solar facilities in California and is in active development of solar thermal, PV, and wind projects in California and the West. NextEra appreciates the CAISO's approach of standardizing interconnection technical requirements in anticipation of a larger share of variable resources as California strives to meet its clean energy goals. It is far more efficient and cost effective to build to the new standards than retrofit facilities. We share the CAISO's goal of maintaining system reliability and appreciate the CAISO's approach of applying the new standards only on a prospective basis.

Exemption for Existing Generation Facilities

The CAISO's intent in the stakeholder process was clear that the new technical standards will apply to new and replacement generation facilities and not to existing facilities, those with a LGIA, or a tendered LGIA. However, the draft tariff language requires clarity with regard to existing facilities. For example, the draft tariff language in Appendix H (A)(5) provides:

Existing individual Generator Units that are, or have been, interconnected to the CAISO Controlled Grid at the same location at the effective date of the Appendix H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing generation equipment. Existing individual Generator Units that are replaced are required to meet the Appendix H LVRT Standard.

Given the CAISO's intent that the new standards apply only to new or replacement facilities, NextEra suggests that the exemption above be applied to all the standards through the tariff rather than limited to LVRT (e.g. reactive power, voltage, power factor design, etc).

Appendix H Section (A)(I) Low Voltage Ride Through (LVRT) Capability

The CAISO's exemption for PV facilities in the queue that can demonstrate a binding commitment to purchase inverters as of May 18, 2010 is an appropriate recognition of the technology status. NextEra appreciates that with a substantial amount of PV generation proposing to interconnect to the CAISO grid, that it is important to establish standards as soon as possible and push technology development rather than wait for the technology to be developed and have to apply it retroactively or face reliability issues. For this reason, it is appropriate and beneficial to establish the expectation as soon as possible. With that said, LVRT capability for solar PV is under development and not yet

approved by professional certification bodies such as Institute of Electrical and Electronics Engineers (IEEE)¹ and Underwriters Laboratories (UL)². While NextEra believes the technology will be developed in the near term, the timing remains uncertain. Therefore, NextEra supports the CAISO in establishing this requirement but believes the tariff language should provide for a timeline that does not take effect until IEEE and UL certifies the technology. That is, the requirement would take effect once certification occurs. This would set the expectation, push the technology development, but not require a standard that has yet to be certified.

It would also be helpful if the tariff could provide the CAISO the discretion to waive the requirement or consider the circumstance of limited equipment availability and OEM selection.

Appendix H Section (A)(V) Plant Power Management

NextEra requests that the tariff provide for flexibility in applying this standard to address the situation where the equipment may not be available by January 1, 2012. Equipment orders can require 24 to 36 months lead time. In addition, many, if not all, OEMs currently do not have the full capability required to meet this standard. For this reason, NextEra suggest that the tariff provide the CAISO discretion to consider an extension of the deadline if the developer can demonstrate an effort to comply through equipment purchases, but cannot meet the date due to ordering timelines.

Consistency with Federal and Regional Reliability Rules

NextEra believes that CAISO's interconnection initiative is will be positive for renewable development. We would like to encourage CAISO to continue to ensure that the tariff language is consistent with WECC, NERC and FERC guidelines. For example, NERC's Statement of Compliance Registry Criteria and FERC's Order 661-A. It is critical that rules align so that generators can comply and the rules are not inconsistent or unclear.

NextEra appreciates the opportunity to comment on the CAISO's proposal.

Sincerely,

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¹ <http://www.ieee.org/about/index.html>

² <http://www.ul.com/global/eng/pages/>

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