

**Stakeholder Process:
Decision on interconnection process enhancements for queue management**

Summary of Submitted Comments

Stakeholders have submitted three rounds of written comments to the ISO:

Round One: Scoping Proposal posted April 8, 2013; comments received April 22, 2013

Round Two: Issue Paper posted June 3, 2013; comments received June 25, 2013

Round Three: Draft Final Proposal posted July 2, 2013; comments received July 19, 2013

Parties that submitted written comments: AES Solar (“AESS”), APX, Bay Area Municipal Transmission group (“BAMx”), BNS, California Wind Energy Association (“CalWEA”), California Public Utilities Commission (“CPUC”), Clean Coalition, Clean Line Energy Partners LLC, Imperial Irrigation District (“IID”), Independent Energy Producers (“IEP”), Large-scale Solar Association (“LSA”), Modesto Irrigation District (“MID”), NRG Energy Inc. (“NRG”), Pacific Gas and Electric (“PG&E”), Silver Ridge Power (formerly AES Solar), Six Cities¹, Southern California Edison (“SCE”), SunEdison, Utility Systems Efficiencies, Wellhead Electric.

Other parties that participated in meetings or conference calls, but did not submit written comments: BrightSource Energy, Caithness Energy, CalEnergy, California Department of Water Resources, California Energy Commission, City of Anaheim, City of Riverside, Columbia Grid, Customized Energy Solutions, Duncan Weinberg, Edison Mission Energy, Enel Green Power, Exelon Energy, FERC, First Solar, Flynn RCI, Iberdrola, MidAmerican Renewables, Navigant, NextEra Energy, Resero Consulting, Northern California Power Agency, Park Energy, PARS Energy, San Diego Gas & Electric, SCD Energy Solutions, Sempra USGP, Southern California Gas, Transmission Agency of Northern California, Tenaska, Trimark Associates, Turlock Irrigation District, ZGlobal.

Stakeholder comments are posted at:

<http://www.caiso.com/Documents/Interconnection%20process%20enhancements%20-%20papers%20and%20proposals%7CStakeholder%20comments>

Other stakeholder efforts include:

Stakeholder web conference: August 14, 2013 to discuss draft tariff language.

¹ Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (“Six Cities”).

Management Proposal	Participating Transmission Owner	Other Stakeholders	Management Response
<p>Topic 6: Charge to review material modification requests- The ISO would propose that the interconnection customer may elect to either use study funds or provide a separate deposit; excess funds will be returned at the end of the process.</p>	<p>PG&E- Supports with qualifications. Administrative and compliance burden associated with billing interconnection customers for time and expense is PG&E's primary concern. Want to confirm that ISO would handle accounting for material modification requests via existing study process cost recovery mechanism. SCE- Supports with qualifications. Disagrees that charge should be based on actual costs, requiring \$10,000 deposit and potentially subsequent refund. Costs to interconnection customer should be fixed fee based on reasonable estimate of actual costs incurred to process such requests. ISO must require separate deposit to process a material modification request. Six Cities- Supports with one qualification - interconnection customer should be invoiced for such costs following completion of modification request.</p>	<p>IEP- Fully supports LSA- Supports with qualifications. LSA's support is conditioned on the following: (1) Implementation of the ISO's proposed cost tracking and transparency proposals, to give developers some idea of reasonable costs to process different types of Material Modification Assessment (MMA) requests; and (2) Development of a reasonable list of exemptions from Material Modification Assessment requirements – in other interconnection process enhancements Topic 15.</p>	<p>Management agrees with PG&E that the ISO will perform the accounting. While Management appreciates SCE's desire to have a fixed fee, we do not believe there is sufficient data to meet the burden for justifying a fixed fee. Management also agrees with SCE that a new deposit needs to be made for modification requests to ensure that funds are not comingled and the accounting can be clean. Management has committed to publishing an annual report on the range of costs for modification requests. As previously discussed with Large Solar Association, the reporting requirement will be incorporated into the business practice manuals. Management also agrees with Six Cities that if the actual cost is greater than the deposit, then the interconnection customer will be charged the actual cost in excess of \$10,000.</p>
<p>Topic 7: Commercial operation date modification (small generators)- Small generator will be treated similarly to large generator with respect to project changes.</p>	<p>PG&E, SCE, Six Cities - Fully supports</p>	<p>IEP- Supports with qualifications. IEP supports the proposal with the qualification that the ISO commit to ensuring that small generation projects in the queue that are accessing the commercial market via the renewable auction mechanism and that apply for extension of their COD under this proposal will not receive, as a result of this proposal, greater queue benefits than would be afforded other small generator interconnection process projects. LSA- Fully supports</p>	<p>Management appreciates IEP's concerns; however, the ISO is obligated to apply its tariff in a nondiscriminatory way and would not be able to discriminate among small generator projects.</p>

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<p>Topic 8: Queue time (small generators) – extends the time that small generators can stay in the ISO queue.</p>	<p>PG&E, Six Cities - Fully supports SCE- Supports with qualifications. SCE believes the 7-year development timeframe for projects going through either the independent study process or fast track study processes should be shortened to reflect their shorter study duration.</p>	<p>IEP- Supports with qualifications. IEP supports this aspect of the proposal if the ISO can commit to ensuring that generation projects in the queue that are accessing the commercial market via the renewable auction mechanism and that apply for extension of their COD will not receive, as a result of this proposal, greater queue benefits than would be afforded other SGIP projects. LSA- No comment</p>	<p>The timeframe for independent study process and fast track study process to remain in the queue is outside the scope of this initiative. Management appreciates IEP's concerns; however, the ISO is obligated to apply its tariff in a nondiscriminatory way and would not be able to discriminate among small generator projects.</p>
<p>Topic 9: PTO tenders generator interconnection agreement- Clarifies that the PTO tenders the generator interconnection agreement not the ISO.</p>	<p>PG&E, SCE, Six Cities- Fully supports</p>	<p>IEP, LSA- Fully supports</p>	<p>Stakeholders fully support this topic.</p>
<p>Topic 10: Timeline for tendering draft generator interconnection agreement- Tendering of generator interconnection agreement occurs after results meeting rather than after study report</p>	<p>PG&E, SCE, Six Cities- Fully supports</p>	<p>IEP- Fully supports LSA- Supports with qualifications. The proposal should be modified explicitly to allow interconnection customers to elect to receive a draft generator interconnection agreement within 30 calendar days of the phase II study (i.e., the same timing as under the current rules), consistent with the timelines allowed for other elections between the phase I and phase II studies. LSA still believes that this election should be provided for in this tariff change and not in a BPM, because: (1) the BPMs are supposed to be consistent with the tariff and not contradict it; and (2) this self-prioritization element is simple and straightforward.</p>	<p>Management agrees with LSA that a process should be put in place to allow "self-prioritization" by the interconnection customer to receive and negotiate the generator interconnection agreement sooner than the existing process. However, Management believes that a tariff modification is not required because the BPM's purpose is to provide the implementation detail of the tariff provisions and the "self-prioritization" process is exactly that detail.</p>

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<p>Topic 11: Generator interconnection agreement negotiations timeline- decreasing the period from 15 to 10 business days and delete PTO cited sentence</p>	<p>PG&E, SCE, Six Cities- Fully supports</p>	<p>IEP- Fully supports LSA- Supports with qualifications. This proposal should be modified explicitly to allow interconnection customers to elect expedited treatment of their generator interconnection agreement negotiations, consistent with the timelines allowed for other elections between the phase I and phase II studies. LSA still believes that this election should be provided for in this tariff change and not in a business practice manual.</p>	<p>Management agrees with LSA that a process should be put in place to allow “self-prioritization” by interconnection customer to receive and negotiate a generator interconnection agreement sooner than the existing process. However, Management believes that tariff modification is not required because business practice manual’s purpose is to provide implementation detail of tariff provisions and “self-prioritization” process is exactly that detail.</p>
<p>Topic 12: Suspension definition between serial and cluster- specify that suspension only applies to PTO upgrades that do not impact other projects, and does not provide a day-for-day delay of the project</p>	<p>PG&E, SCE, Six Cities- Fully supports</p>	<p>IEP- Oppose. IEP understands that generation projects may impose a risk to later-queued projects; however, oppose changing tariff under which they have been operating as a means to force them out of queue. Definition of suspension for serial projects didn’t envision situation where generator interconnection agreement execution, or even substantial progress toward execution, would be so delayed and that is unfortunate. IEP is not comfortable with idea of retroactively changing tariff on these customers knowing that any application to suspend by those projects will impact multiple customers and thus be denied, mandating their withdrawal from queue. LSA- Supports with qualifications. Opposes part that would impose these changes in case of generator interconnection agreement amendments, regardless of cause or impact of amendments. Such mandatory revisions would be especially unfair in situations where amendments are for reasons beyond the interconnection customer’s reasonable control. Proposes that ISO withdraw portion of proposal entirely that addresses generator interconnection agreement amendments. Failing that, ISO should make exceptions that changes would not be imposed where generator interconnection agreement amendments due to factors beyond generator’s control or are not material under tariff.</p>	<p>Management appreciates IEP’s position however, a number of later-queued projects rely upon transmission upgrades included in serial projects and original interconnection design was that serial projects should have been constructed and energized by now so network upgrades should have been completed. Consequently, Management needs to ensure that other queued projects are not harmed by delays with serial projects and suspension language needs to be revised to avoid this harm. With respect to LSA’s concern of not applying the clarification to already executed agreements, Management agrees and proposal is to only make clarification if an amendment needs to be made for some other reason. Since agreement would be opened up, all parties should have right to negotiate any changed term and condition, including ISO.</p>