

Stakeholder process: Decision on interconnection process enhancements for downsizing and risk of disconnection

Summary of submitted comments

Stakeholders submitted four rounds of written comments to the ISO on the following dates:

- Round One: Scoping proposal posted on April 8, 2013; comments received April 22, 2013
- Round Two: Issue paper posted on June 3, 2013; comments received June 25, 2013
- Round Three: Straw proposal posted on July 18, 2013; comments received August 22, 2013
- Round Four: Draft final proposal posted September 12, 2013, first addendum to the draft final proposal posted September 24, 2013; comments received October 7, 2013, second addendum to the draft final proposal posted October 21, 2013

Parties that submitted written comments: AES Solar (“AESS”), Bay Area Municipal Transmission group (“BAMx”), California Public Utilities Commission (“CPUC”) staff, CPUC Office of Ratepayer Advocates (“ORA”), California Wind Energy Association (“CalWEA”), Clean Coalition, Clean Line Energy Partners, Frontier Renewables, Imperial Irrigation District (“IID”), Independent Energy Producers (“IEP”), Large-scale Solar Association (“LSA”), Modesto Irrigation District (“MID”), NRG Energy, Pacific Gas & Electric (“PG&E”), San Diego Gas & Electric (“SDG&E”), Sempra US Gas and Power (“Sempra USGP”), Silverado Power, Silver Ridge Power, Six Cities¹, Southern California Edison (“SCE”), SunEdison, and Wellhead Electric.

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, October 28, 2013, to discuss the Second Addendum to the Draft Final Proposal.

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

Management Proposal	Generators	Transmission Owners	State Agencies	Management Response
<p>Management is proposing an annual downsizing opportunity beginning in 2014, open to any active project in the interconnection queue.</p>	<p>Frontier, IEP, LSA, NRG Energy, Sempra USGP, SunEdison – Supports with qualifications.</p> <p>IEP – Concerned that projects with a commercial operation date prior to first downsizing window would not have an opportunity to downsize.</p> <p>LSA – Opposes requiring downsizing projects to incorporate current tariff provisions regarding time in queue and suspension rights into their revised interconnection agreements.</p> <p>LSA – Requests clarification regarding eligibility to participate relative to commercial operation date.</p> <p>LSA, Frontier -- Opposes making</p>	<p>PG&E, SCE, Six Cities – Supports with qualifications.</p> <p>PG&E – Prefers that downsizing requests be limited to a maximum of 75%.</p> <p>SCE – Downsizing generators should be required to post financial security and meeting meaningful milestones. Also, they should demonstrate legitimate reasons for downsizing.</p>	<p>CPUC staff, CPUC Office of Ratepayer Advocates – Supports with qualifications regarding timing of adjustments to financial security postings.</p>	<p>Management appreciates stakeholders' support for its proposal to provide an annual downsizing opportunity.</p> <p>Management believes that the proposal for the risk of disconnection issue, which allows a customer to avoid breach by entering the next available downsizing window, addresses IEP's concern.</p> <p>Management clarifies that (1) it is no longer proposing a change to suspension rights as the ISO is withdrawing its prior proposal, and (2) it is not proposing to change the time in queue provisions. Therefore, the time in queue provisions and suspension rights will not change for downsizing projects in their amended interconnection agreements.</p> <p>Management clarifies that if a project has not achieved the commercial operation date as that term is defined in its generator interconnection agreement, including phased projects, then the customer can request downsizing.</p> <p>Management believes that restrictions and limitations on downsizing requests should be avoided in order to maximize the flexibility of the annual downsizing process, however, Management clarifies that downsizing customers are not excused from security posting and milestone requirements.</p> <p>Although Management recognizes the importance of the stakeholder concern regarding adjustments in posting requirements, the concern is related to the reassessment study process and all projects affected by it, and thus is beyond the scope of the annual downsizing proposal. For customers participating in the first annual downsizing window, the reassessment study will be completed in 2015 and the potential need for reducing security postings will not arise before that time. Therefore, Management proposes to open a new initiative in 2014 to consider more broadly the matter of adjustments to security posting requirements resulting from</p>

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	<p>adjustments in posting requirements at the time of the third and final posting.</p>			<p>the reassessment studies. The policy outcome from this initiative would be made available going forward to projects that just completed the recent reassessment study process. In the near term, Management proposes to adopt the proposal made by LSA to allow, as quickly as possible, a reduction in the security posting in cases where a customer's total cost responsibility, as indicated by the recent reassessment results, is less than the amount of security already posted by the customer.</p>
<p>Management is proposing that the ISO will not seek to terminate a customer's interconnection agreement solely due to the customer's failure to complete the full megawatt size of the project, provided the customer participates in the next available annual downsizing opportunity.</p>	<p>NRG Energy – Fully supports. IEP, LSA, Sempra USGP, SunEdison – Supports with qualifications.</p>	<p>PG&E, SCE – Fully supports. Six Cities – Supports with qualifications.</p>	<p>CPUC staff – Fully supports. CPUC Office of Ratepayer Advocates – Supports with qualifications.</p>	<p>Management appreciates stakeholders' support for its proposal to address the risk of disconnection issue.</p> <p>Management notes that the qualifications concern a provision in the draft final proposal specifying a situation in which customers that failed to construct their full committed capacity could potentially forfeit their right to reimbursement of network upgrade costs. In response, Management issued an addendum to its proposal removing the loss of reimbursement provision and instead requiring such customers to participate in the next available downsizing window.</p>