

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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<p>Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Revised Straw Proposal that was posted on May 11, 2015 and as supplemented by the presentation and discussion during the May 18, 2015 stakeholder meeting.</p> <p>Submit comments to <a href="mailto:initiativeComments@caiso.com">initiativeComments@caiso.com</a>  <b>Comments are due June 1, 2015 by 5:00pm</b></p>		

The Revised Straw Proposal posted on May 11, 2015 may be found at:

[http://www.caiso.com/Documents/RevisedStrawProposal\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/RevisedStrawProposal_InterconnectionProcessEnhancements2015.pdf)

The presentation discussed during the May 18, 2015 stakeholder meeting may be found at:

[http://www.caiso.com/Documents/Agenda-Presentation\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/Agenda-Presentation_InterconnectionProcessEnhancements2015.pdf)

For each topic that was modified in the Revised Straw Proposal 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 2 – Time-In-Queue Limitations

EDF-RE supports the Proposal, with qualifications.

EDF-RE does not oppose viability criteria or reasonable time-in-queue limitations. In general, they help ensure that unviable projects do not linger in the queue and force construction of upgrades for later-queued projects that are not really needed.

However, the CAISO proposal does not recognize certain timing realities in the procurement market today. **If the proposal is not revised to reflect these factors, it could cause the failure of fully viable projects with PPAs.**

Specifically, many recent Load-Serving Entity (LSE) procurement solicitations have conditions that require Commercial Operation Dates (CODs) much further into the future than in the past. At the same time, those solicitations only consider projects that are far advanced in the generator-interconnection process, in part so that Network Upgrade (NU) cost estimates are reliable and can be considered in assessing bids.

Thus, the seven-year limitation for cluster projects is a challenge given the combination of: (1) the lengthy interconnection-study process (2+ years from IR submission to GIA execution); (2) the requirements that projects winning PPAs be advanced in the interconnection process (i.e., have already been in the queue for years); and (3) PPA CODs several years into the future.

If a project has already acquired a PPA, that is a strong indication that it is commercially viable. The CAISO recognizes this fact in its GIDAP TP Deliverability awards, as well as in the proposed viability criteria.

If the CAISO's criteria for extending GIA CODs do not consider mismatches between the PPA and GIA CODs as a reason to extend the latter, developers would be forced to build generating projects that must essentially operate as merchant plants until the PPA COD. This would be a significant economic and financing impediment, and there is no good policy reason to impose such a burden if the COD extension has no material impact on other projects in the queue.

Therefore, EDF-RE urges the CAISO to add one more revision to its proposal in this area, to establish conformance with a PPA COD as a reason to extend a project beyond the applicable tariff deadline, as shown below.

## **Appendix DD, Section 3.5.1.4 Proposed Commercial Operation Date**

### **3.5.1.4.1 Commercial Viability**

The CAISO's agreement to an extension of the proposed Commercial Operation Date is predicated on the Generating Facility maintaining the criteria on which commercial viability is based. Commercial viability shall be defined as:

- a. Having, at a minimum, applied for the necessary governmental permits or authorizations and that the permitting authority has deemed such documentation "as data adequate" for the authority to initiate its review process;
- b. Having an executed power purchase agreement, attesting that the Generating Facilities will be balance-sheet financed, or otherwise receiving a binding commitment of project financing;
- c. Demonstrating Site Exclusivity in lieu of any Site Exclusivity Deposit;
- d. Having an executed Generator Interconnection Agreement ("GIA"); and
- e. Being in good standing with its GIA such that neither the Participating TO nor the CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA (where the breach has not been cured or the Interconnection Customer has not commenced sufficient curative actions)

If the Commercial Operation Date in the power purchase agreement is more than six (6) months beyond the Commercial Operation Date in the Generator Interconnection Agreement, that will constitute grounds for extending the latter to match the former.