

GridLiance Comments on the CAISO Generation Interconnection Driven Network Cost Recovery Proposal

Beth Emery, SVP, General Counsel & Secretary

GridLiance GP, LLC

[bemery@gridliance.com](mailto:bemery@gridliance.com), 210-380-6599

March 24, 2017

GridLiance West Transco LLC (GridLiance) appreciates the opportunity to submit comments on the CAISO's March 17, 2017 Generation Interconnection Driven Network Cost Recovery Final Proposal. As noted in its comments filed December 16, 2016 and February 22, 2017 on the prior proposals, GridLiance has interest in this issue both because of GridLiance's partnership as the future owner of the VEA-area high voltage facilities and because of the conceptual significance of resolving the generation interconnection cost recovery policies from a cost-causation perspective. Capitalized terms not otherwise defined herein are as defined in the Final Proposal or the Tariff.

GridLiance supports the CAISO's initiative, but remains concerned that the proposed tariff language appears to allocate the cost of generator interconnection-driven upgrades in a manner that is inconsistent with the CAISO's stated concern underlying this initiative. In particular, CAISO commenced this initiative because, under the current practice, the cost of certain generator interconnection-driven upgrades could negatively impact ratepayers who are not the beneficiaries of those upgrades, but would otherwise solely bear their costs. However, the proposed tariff language appears to allocate the cost of applicable upgrades differently based on who owns the facilities that are constructed. Under the current proposal, qualifying upgrades owned by a Load-Serving Participating TO would be included in the regional Transmission Access Charge, while those same upgrades would be recovered through a Local Access Charge if they are owned by a Non-Load-Serving Participating TO.

To alleviate this inconsistency, GridLiance has attached to these comments proposed revisions to the CAISO's proposed tariff language. GridLiance's proposed revisions would extend the CAISO's proposed allocation to generator interconnection-driven upgrades owned by Non-Load-Serving Participating TOs.

GridLiance would be pleased to work with the CAISO to refine its proposed policy changes and again wishes to express its appreciation for the CAISO's continued attention to this issue.