

**LSA COMMENTS ON IPE 2015 DRAFT TARIFF LANGUAGE**  
**08/27/2015**

### Topic 3- Negotiation of Generator Interconnection Agreements

The following are the proposed edits to section 13 of Appendix DD and similar edits will appear in section 4.8 of Appendix U, section 4.3 of Appendix W, and section 11 of Appendix Y:

#### 13.1 Tender

##### 13.1.1

The applicable Participating TO shall tender a draft GIA, together with draft appendices, to the CAISO and Interconnection Customer no later than the sum of (i) one hundred eighty (180) calendar days and (ii) the estimated time to construct the Interconnection Facilities and Network Upgrades indicated in the applicable study report needed by this or any other dependent project, prior to the In-Service Date. The applicable Participating TO may tender the draft GIA any time after the Phase II Study report is issued and before the determined tender date on its own accord or at the request of either the CAISO or the Interconnection Customer, or as agreed by the Interconnection Customer, the Participating TO and the CAISO. The draft GIA shall be in the form of the FERC-approved form of GIA set forth in CAISO Tariff Appendix EE or Appendix FF, as applicable.

~~If the Interconnection Customer requested Full Capacity Deliverability Status or Partial Deliverability Status, then within thirty (30) Calendar Days after the CAISO provides the updated Phase II Interconnection Study report (or by an earlier date, if all parties agree) which includes the allocation of TP Deliverability to the Interconnection Customer, the applicable Participating TO shall tender a draft GIA, together with draft appendices. If the Interconnection Customer requested Energy Only Deliverability Status, then within thirty (30) Calendar Days following the results meeting for the final Phase II Interconnection Study (or by an earlier date, if all parties agree), Facilities Study, or system impact and facilities study, the applicable Participating TO shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of the FERC-approved form of GIA set forth in CAISO Tariff Appendix EE or Appendix FF, as applicable. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.~~

#### 13.2 Negotiation

Notwithstanding Section 13.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) calendar days after the Participating TO CAISO provides the Interconnection Customer and CAISO with the draft GIA final Phase II Interconnection Study report, or the system impact and facilities study report. If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft GIA pursuant to Section 13.4. Upon such request, the Interconnection Customer will, within seven (7) calendar days after requesting termination of negotiations, either (i) and request submission of the unexecuted GIA with FERC or (ii) initiate Dispute Resolution

**Comment [SS1]:** LSA comment on Draft Final Proposal (DFP) that the IC should get 21 CDs, like the CAISO/PTO if they declare an impasse. CAISO never responded to this comment.

procedures pursuant to Section 15.5. If the Interconnection Customer requests termination of the negotiations, ~~but, within one hundred twenty (120) calendar days after the draft GIA was tendered pursuant to Section 13.1 issuance of the final Phase II Interconnection Study report, but~~ fails to ~~either (i) request either the filing of the unexecuted GIA with FERC within seven (7) calendar days or (ii) initiate Dispute Resolution procedures pursuant to Section 15.5 within seven (7) calendar days,~~ it shall be deemed to have withdrawn its Interconnection Request. ~~Neither the CAISO nor the Participating TO may declare an impasse until one hundred twenty (120) calendar days after the draft GIA was tendered. If the CAISO or the Participating TO declares an impasse, that party will file the GIA unexecuted with FERC within twenty one (21) calendar days. Neither the CAISO nor the Participating TO may declare an impasse before one hundred twenty (120) calendar days after the draft GIA was tendered. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the GIA, requested filing of an unexecuted GIA, requested an extension of the negotiation period, or initiated Dispute Resolution procedures pursuant to Section 15.5 within one hundred twenty (120) calendar days after issuance of the draft GIA final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The CAISO shall provide to the Interconnection Customer a final GIA within ten (10) Business Days after the completion of the negotiation process and receipt of all requested information.~~

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## Topic 4 –Deposits

The following is a change to part (i) section 3.5.1 of Appendix DD.

### 3.5.1 Initiating an Interconnection Request.

- (i) An Interconnection Study Deposit equal to ~~\$50,000~~ \$150,000, plus \$1,000 per MW of electrical output of the Generating Facility, up to a maximum of \$250,000.  
...

The following is a proposed new section to append to section 14.2 of Appendix DD.

### 14.2.4 Limited Operation Study

#### 14.2.4.1

Pursuant to Article 5.9 of the Large Generator Interconnection Agreement set forth in Appendix V, BB, CC and EE, Generating Facilities may request a limited operation study if any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Unit. The Participating TO and/or the CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. The Participating TO and the CAISO shall permit the Interconnection Customer to operate the Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

#### 14.2.4.2

The Generating Unit owner shall provide the CAISO a \$10,000 deposit for the limited operation study at the time the request is submitted. Except as provided below, any limited operation study will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Generating Unit owner's written notice for a limited operation study, technical data required to assess the request, and payment of the \$10,000 deposit. If the limited operation study cannot be completed within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

#### **14.2.4.3**

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the limited operation study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the limited operation study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced. The CAISO shall coordinate the request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any limited operation study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the assessment.

The following is a proposed new subsection to be added to section 25 of the tariff:

### **25.5 Modifications to Generating Facilities**

Pursuant to Article 5.19 of the Large Generator Interconnection Agreement set forth in Appendix V, BB, CC and EE, or Article 1.3.4 of the Small Generator Interconnection Agreement set forth in Appendix T and FF, Generating Facilities may make modifications to their Generating Facilities where the CAISO and the Participating TO are notified at least ninety (90) calendar days in advance of commencement of work and sufficient information is provided such that the CAISO and the Participating TO(s) have determined that the modification is not a Material Modification.

#### **25.5.1**

Prior to making any modification, the Generating Unit owner must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Generating Unit owner's request, the CAISO, in coordination with the affected Participating TO, shall evaluate the proposed modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. The CAISO shall inform the Generating Unit owner in writing whether the modification would constitute a Material Modification. Costs incurred by the Participating TO and the CAISO (if any) shall be borne by the party making the request under Section 25.5, and such costs shall be included in any CAISO invoice for modification assessment activities.

### **25.5.2**

The Generating Unit owner shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Generating Unit owner's written notice to modify the project, technical data required to assess the request, and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

### **25.5.3**

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The following are proposed edits to section 25.1.2 of the CAISO tariff:

#### **25.1.2 Affidavit Requirement**

If the owner of a Generating Unit described in Section 25.1(d), or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. The owner of the Generating Unit must include with the affidavit the complete technical data required to assess the repowering and a \$10,000 deposit for the repowering study. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes. The CAISO, in coordination with ~~and~~ the applicable Participating TO shall evaluate ~~have the right to verify~~ whether or not the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

#### **25.1.2.1**

Upon receipt of the affidavit, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within ten (10) Business Days. Upon receipt of an executed study plan the CAISO will commence the repowering study. The CAISO will complete the repowering study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete the

repowering study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the repowering study shall be borne by the Generating Unit owner requesting the study.

#### **25.1.2.2**

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the repowering study. If the actual costs of the repowering study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the repowering study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any repowering study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the repowering study.

### **Topic 5 - Stand-Alone Network Upgrades and Self-Build Option**

The following is a revised new subsection appended after section 11.3.1.4.3 of Appendix DD:

#### **11.3.1.4.4 Posting Related to Interconnection Customer's Opting to build Stand Alone Network Upgrade(s)**

If an Interconnection Customer's Phase-II study report identifies Stand Alone Network Upgrades and the Interconnection Customer desires to self-build the Stand Alone Network Upgrades, the Interconnection Customer must post the Interconnection Financial Security for the Stand Alone Network Upgrades in its second posting. The Interconnection Customer may request to build the Stand Alone Network Upgrades, and any stand-alone task, such as telecommunications, environmental, or real-estate related work, in the Generator Interconnection Agreement negotiation process, and if the Participating TO and the CAISO agree, the second posting will be reduced accordingly. The Interconnection Customer will not be allowed to revise its second posting amount until the Generator Interconnection Agreement documents the Stand Alone Network Upgrades and any stand-alone task, and has been fully executed. If the Participating TO and the CAISO agree to allow the Interconnection Customer to build a Stand Alone Network Upgrade, or perform any stand-alone task, in an executed Generator Interconnection Agreement the Interconnection Customer's maximum cost responsibility will be reduced by the cost of the Stand Alone Network Upgrade and/or stand-alone task, and both the original and revised maximum cost responsibility will be documented in the Generation Interconnection Agreement.

If at any time the responsibility for constructing the Stand Alone Network Upgrade and/or performing the stand-alone task, reverts back to the Participating TO, the Interconnection Customer will be required to revise its second Interconnection Financial Security posting back to the second otherwise-applicable posting amount prior to the execution of the Generator Interconnection Agreement within thirty (30) calendar days of determining that the Participating TO will build the Stand Alone Network Upgrade and/or the stand-alone task, and the Interconnection Customer's

**Comment [S2]:** Will this now be done routinely in Phase II Studies? If so, that would be an improvement to the study process that probably should be added to the Phase II Study description.

**Comment [S3]:** Maybe make Stand-Alone Task a defined term, like SANU?

**Comment [S4]:** (1) Makes this consistent with Article 5.2 of Appendix EE (see below).

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**Comment [S5]:** Allows for the possibility that a reversion to the PTO could occur after the GIA is executed.

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maximum cost responsibility will revert back to the original maximum cost responsibility and the GIA (if executed by that time) will be revised to reflect the reversion. Failure to make a timely posting adjustment will result in the withdrawal of the Interconnection Request in accordance with Section 3.8. If an Interconnection Customer has been allowed to reduce its second posting following the execution of its Generator Interconnection Agreement and subsequently withdraws, the amount of the Interconnection Financial Security that is determined to be refundable under Section 11.4.2 will be reduced by the amount of the Interconnection Financial Security posting the Interconnection Customer avoided through the self-build option.

**Comment [S6]:** So, if there is an SANU and a stand-alone task and one (but not both) reverts to the PTO, the cost responsibility and security would be revised upward but would still be less than the max.

The following are proposed edit for Section 11.4.2.2 (a) of Appendix DD:

#### 11.4.2.2

- a. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) less (all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, and less any posting amount reduction due to Interconnection Customer's election to self build Stand Alone Network Upgrades or perform stand-alone tasks (such as such as telecommunications, environmental, or real-estate related work), or...

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The following are proposed edits to Article 5.2 of Appendix EE:

#### 5.2 General Conditions Applicable to Option to Build.

If the Interconnection Customer assumes responsibility for the design, procurement, and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, or assumes responsibility for any stand-alone task, such as telecommunications, environmental, or real-estate related work,

(1) within six (6) months of the execution of this LGIA, or at a later date agreed to by the Parties, the Interconnection Customer shall submit to the CAISO and the Participating TO a milestone schedule for the design, procurement, and construction of the Stand Alone Network Upgrades, or any stand-alone task assumed by the Interconnection Customer. The milestone schedule will be required to support the Interconnection Customer's Commercial Operation Date. The Appendix B Milestones will be amended to include the milestone schedule for the Stand Alone Network Upgrade.

## Topic 6 - Allowable Modifications between Phase I and Phase II Study Results

The following are the proposed edits to paragraph two of section 6.7.2.2 of Appendix DD. Because this language obviates the need for Section 7.1 of Appendix DD, it will be deleted in its entirety:

#### 6.7.2.2 ...

Modifications permitted under this Section shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; ~~and~~ (c) modifying the interconnection configuration; ~~(d) change of In-Service Date, Initial Synchronization Date, Trial Operation~~

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Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld; (e) change in Point of Interconnection as set forth in Section 6.7.2.1; and (f) change in Deliverability Status from Full Capacity Deliverability Status to Energy Only Deliverability Status or to Partial Capacity Deliverability Status; from Partial Capacity Deliverability Status to Energy Only Deliverability Status or to a lower fraction of Full Capacity Deliverability Status....

**7.1 ~~[Not Used] Confirmation or Modification of Deliverability Status~~**

~~Within such Appendix B, the Interconnection Customer shall either~~  
~~(a) confirm the desired Deliverability Status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or~~  
~~(b) change the desired Deliverability Status in one of the following ways:~~  
~~(i) from Full Capacity Deliverability Status to Energy Only Deliverability Status;~~  
~~(ii) from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified fraction of Full Capacity Deliverability Status;~~  
~~(iii) from Partial Capacity Deliverability Status to Energy Only Deliverability Status; or~~  
~~(iv) reduce Partial Capacity Deliverability Status to a lower fraction of Full Capacity Deliverability Status.~~

**Modify Appendix B to Appendix 3 GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT FOR QUEUE CLUSTERS as follows:**

~~Point of Interconnection:~~ \_\_\_\_\_  
~~Other Modification:~~ \_\_\_\_\_  
~~(Change these two date descriptions to align with the original IR and RIMS)~~  
~~Generator step-up transformer receives back-feed power-In-Service Date:~~  
~~Generation Testing Trial Operation Date:~~

**Modify Appendix B to Appendix 6 Independent Study Process Study Agreement as follows:**

~~Point of Interconnection:~~ \_\_\_\_\_  
~~Other Modification:~~ \_\_\_\_\_  
~~(Change these two date descriptions to align with the original IR and RIMS)~~  
~~Generator step-up transformer receives back-feed power-In-Service Date:~~  
~~Generation Testing Trial Operation Date:~~

**Topic 7 – Conditions for Issuance of Study Reports**

The following is a proposed new paragraph to be appended to the end of section 6.7.2.2 of the Appendix DD, and edits to the first paragraph of Section 6.7.2.3 of Appendix DD:

**6.7.2.2**

...

If any requested non-material modification after the Phase II Interconnection Study Report would change the scope, schedule, or cost of the Interconnection

Facilities or Network Upgrades, the CAISO will issue a facilities reassessment report to the Interconnection Customer. Potential adjustments to the maximum cost responsibility for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

- 6.7.2.3** The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) calendar days ~~total (forty-five (45) additional calendar days).~~ If the modification assessment cannot be completed within these time periods, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

Comment [S57]: Clarification.

## Topic 8 - Generator Interconnection Agreement Insurance

The CAISO proposes to revise section 18.3 of Appendix EE as follows. Similar changes also would be included in Article 18.3 of Appendices V, BB, and CC.

- 18.3.1 ~~Employer's Liability and Workers' Compensation Insurance~~ and Employers' Liability.** The Participating TO and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for Workers Compensation coverage and coverage amounts of no less than One Million Dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and One Million Dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Participating TO shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.
- 18.3.2 Commercial General Liability Insurance.** The Participating TO and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this LGIA, including coverage for premises and operations, bodily injury (including death) personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification), products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and (i) liability of Participating TO and the Interconnection Customer that would be imposed without the LGIA, or (ii) liability assumed by the Participating TO and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general



liability insurance policy. Such insurance shall include a no cross liability endorsement exclusions or separation of insured clause endorsement exclusions, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Section 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Participating TO and CAISO as an additional insured only with respect to the LGIA, together with the Interconnection Customer's written representation to the Participating TO and the CAISO that the insured Affiliate is conducting all of the necessary preconstruction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate Insurance with evidence of such insurance carried by the Interconnection Customer, naming the Participating TO and CAISO as additional insured only with respect to the LGIA.

**18.3.3 Business Automobile Liability Insurance.** Prior to the entry of any such vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage. Upon the request of the Participating TO, the Interconnection Customer shall include name the Participating TO and CAISO as an additional insured with respect to the LGIA on any such policies.

**18.3.4 Excess Public Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Network Upgrades, Interconnection Facilities, or Generating Facility, the Participating TO and the Interconnection Customer shall maintain Excess excess public Liability liability insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate. Such insurance carried by the Participating TO shall name include the Interconnection Customer and CAISO as an additional insured with respect to the LGIA, and such insurance carried by the Interconnection Customer shall include name the Participating TO and CAISO as an additional insured with respect to the LGIA. The requirements of Section 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

**18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name include the other Parties identified in the sections above, their parents, their subsidiaries, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") and the CAISO as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group of cancellation in coverage or condition. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available,

then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.

- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess ~~Public~~ Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory, ~~and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered.~~ Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess ~~Public~~ Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may in the form of ~~tail coverage or~~ extended reporting period coverage if agreed by the Parties.
- 18.3.9** ~~Within ten (10) Calendar Days~~ Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility ~~following execution of~~ under this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, the Participating TO and the Interconnection Customer ~~each Party~~ shall provide a certificate of insurance for certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure
- a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program that is a qualified self-insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and
  - b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9.
  - c) in the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and

any property damage greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

## Topic 9 - Interconnection Financial Security

### A. Process Clarifications

The CAISO proposes the following edits to the second paragraph after subsection Section 7.4.3, the first paragraph of Section 11.2.2, the first paragraph of section 11.3.1.2, and the first paragraph of section 11.3.2 of Appendix DD to the CAISO tariff:

#### 7.4.3 ...

The posted Interconnection Financial Security required of the Interconnection Customer for Network Upgrades shall be adjusted to correspond to ~~each change to~~ any increase in the Interconnection Customer's estimated cost responsibility any time after but no later than sixty (60) calendar days after issuance of a ~~resulting from a reassessment report based on the Interconnection Financial Security posting rules set forth in the applicable CAISO interconnection procedures.~~ An Interconnection Customer that receives a downward adjustment to its current maximum cost responsibility pursuant to this Section may choose to ~~decline the corresponding adjustment to its~~ posted Interconnection Financial Security requirement ~~by so notifying the CAISO in writing within sixty ten (6010) calendar days of the issuance of the reassessment report that resulted in the downward adjustment of the Interconnection Customer's maximum cost responsibility.~~

**11.2.2 Timing of Postings.** The postings set forth in this Section shall be made ~~on or before~~ any time after the issuance of the final Phase I Interconnection Study report but no later than ninety (90) calendar days after issuance of the final Phase I Interconnection Study report for Interconnection Customers in a Queue Cluster.

#### 11.3.1.2 Timing of Posting

The ~~second~~ postings set forth in this Section for Interconnection Customers in a Queue Cluster shall be made ~~on or before any time after issuance of the final Phase II Interconnection Study report but no later than~~ one hundred eighty (180) calendar days after issuance of the final Phase II Interconnection Study report.

The initial postings for Interconnection Customers in the Independent Study Process shall be made any time after issuance of the final System Impact and Facilities Study report under the ISP but no later than ~~or on or before~~ one hundred twenty (120) calendar days after the CAISO provides the results of the System Impact and Facilities Study.

#### 11.3.2 Third Posting for Queue Cluster Customers and Second Posting for Independent Study Process Customers

~~On or before~~ After the second posting for a Queue Cluster has been made but no later than the start of Construction Activities for Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.

After the first posting for Independent Study Process Customers has been made but not later than the start of Construction Activities for Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier,

**Comment [SS8]:** These changes seem to say that the security would only be adjusted if the customer requests it, instead of making the adjustment be the default option. The current procedure was determined in a past IPE/GIP reform process, and a change was not discussed in IPE 2015. The default option should remain as is.

the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.

## **B. Posting Clarification**

The following revision to section 6.8.3 of Appendix DD clarifies and limits the use of errors and omissions to the purpose for which they were originally intended.

### **6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates**

Only substantial errors and omissions related to the Phase I and Phase II study reports can ~~make result in~~ adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this Section 6.8.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the correction of an error or omission shall not ~~operate to~~ delay any deadline for posting Interconnection Financial Security set forth in Section 11. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in Sections 11.2.2 and 11.3.1.2. In addition to issuing a revised final report, the CAISO will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

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## **C. TP Deliverability Affidavit Impacts**

The following are the proposed edits to sections 8.9.2(2)(a) and 11.4.1(a) of Appendix DD:

### **8.9.2 Second Component: Allocating TP Deliverability To The Current Queue Cluster**

- (2) Project financing status. An Interconnection Customer's Generating Facility must meet at least one of the following criteria:
- The Generating Facility will be balance-sheet financed or has otherwise received a commitment of project financing, and the Interconnection Customer represents to the CAISO that either it has a regulator approved power purchase agreement or that the Interconnection Customer is proceeding to commercial operation without a power purchase agreement.

Projects that attest at any time to this status will be precluded from exercising rights in accordance with Section 11.4.1(a) as a condition for partial recovery of the Network Upgrade Interconnection Financial Security if the project withdraws or is withdrawn ~~from the queue.~~

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### **11.4.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA**

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with Section 11.4.2, if the withdrawal of the Interconnection Request or termination of the GIA occurs for any of the following reasons:

- Failure to secure a power purchase agreement. At the time of withdrawal of the Interconnection Request or termination of the GIA, the Interconnection Customer demonstrates to the CAISO that it has failed to secure an acceptable power

purchase agreement for the Energy or capacity of the Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.

Withdrawn projects that attested on the TP Deliverability Affidavit under Section 8.9.2, part (2), subpart (a) are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

## Topic 10 - Forfeiture of Funds for Withdrawal during Downsizing Process

The following are the proposed edits to sections 7.5.6 and 11.4.2.2 of Appendix DD:

### 7.5.6 Withdrawal of Generator Downsizing Request

An Interconnection Customer may withdraw its Generator Downsizing Request anytime before the close of the applicable Generator Downsizing Request Window, but may not do so thereafter. Following a timely withdrawal under this ~~Section 7.5.6~~, the CAISO will refund the Generator Downsizing Deposit of the Interconnection Customer, less any costs incurred by the CAISO, applicable Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s) in validating the Generator Downsizing Request. If the Interconnection Customer's Interconnection Request is withdrawn or deemed withdrawn after the close of the applicable Generator Downsizing Request Window, the Interconnection Customer's Generator Downsizing Request will also be deemed withdrawn and the Interconnection Customer will forfeit its Generator Downsizing Deposit. Any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will therefore be calculated based on the ~~Interconnection Customer's~~ ~~Generating Facility's~~ most recent MW capacity prior to its downsizing request.

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### 11.4.2.2 Withdrawal of Generator Downsizing Request

- b. the Interconnection Financial Security plus (any other provided security plus any separately provided capital) minus the lesser of fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or \$20,000 per requested and approved, pre-downsized megawatt of the Generating Facility Capacity ~~at the time of withdrawal.~~

## Topic 11 -TP Deliverability Option B Clarifications

The following are the proposed edits to paragraph 4 of Section 7.2, paragraph 3 of section 8.9.2, the title and first paragraph of section 8.9.4, and the addition of another paragraph to the end of section 8.9.5 of Appendix DD:

## **7.2 Full/Partial Capacity Deliverability Options for Interconnection Customers**

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both ADNUs and LDNUs, to the extent applicable) without cash repayment under Section 14.2.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested Deliverability Status. If the Interconnection Customer selects Option (B) then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under Section 11.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for RNUs, LDNUs and ADNUs. To qualify to receive any allocation of TP Deliverability, Interconnection Customers selecting Option (B) must still meet the minimum criteria identified in Section 8.9.2.

## **8.9.2 Second Component: Allocating TP Deliverability to the Current Queue Cluster**

The CAISO shall allocate available TP Deliverability to Option (A) and Option (B) Generating Facilities according to the Interconnection Customers' demonstration of having met the criteria listed below for all or a portion of the full MW generating capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in Appendix A to the Interconnection Request. The Generating Facility shall be assigned a numerical score reflecting the Interconnection Customer's demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual. At a minimum, the Generating Facility must meet (1)d and either (2)a or (2)d.

## **8.9.5 Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities**

Interconnection Customers accepting a partial allocation of TP Deliverability may pursue additional deliverability through the Annual Full Capacity Deliverability Option under Section 9.2.