Stakeholder Comments Template

Generator Interconnection Driven Network Upgrade Cost Recovery Initiative

Submitted by	Company	Date Submitted
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Second Revised Straw Proposal

This template has been created for submission of stakeholder comments on the revised straw proposal for the Generator Interconnection Driven Network Upgrade Cost Recovery initiative that was posted on Nov. 21, 2016. The proposal and other information related to this initiative may be found at: http://www.caiso.com/informed/Pages/StakeholderProcesses/GeneratorInterconnectionDrivenNetworkUpgradeCostRecovery.aspx .

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **Dec. 16, 2016.**

If you are interested in providing written comments, please organize your comments into one or more of the categories listed below as well as state if you support, oppose, or have no comment on the proposal.

1 - Do you support a more narrowed focused approach, like or similar to Options A & B versus the original straw proposal's Option 1? Please provide specific information to help stakeholders understand your argument either for or against.

NCPA believes that the existing CAISO Tariff structure for allocating costs of generator interconnection driven upgrades has worked well since the inception of the CAISO, and it remains reluctant for its member ratepayers to shoulder a cost burden associated with the interconnection of generation resources with which NCPA has not contracted. NCPA further believes that allocation of the interconnection costs to the entity contracting with the resource being interconnected is the fairest way to allocate such costs among LSEs, so that ratepayers who have no interest in a particular resource are not charged for its interconnection.

However, in the context of addressing the problem of disproportionate impacts that CAISO believes will fall on VEA under the current tariff provisions, NCPA believes that the Second Revised Straw Proposal is a significant improvement over the Revised Straw Proposal. If special accommodations are going to be made for a single entity, NCPA supports limiting language that would restrict such an exception so that it could not be exploited repeatedly by others. NCPA is particularly concerned about broader applicability because the final parameters of the TAC methodology to be applied, if and when

PacifiCorp joins a regional ISO, are at this time unknown. Under a worst case scenario, NCPA and other California ratepayers feared being subject to such costs by any entity in a regionalized ISO that chose to connect a power plant (of any type) at distribution level. NCPA appreciates CAISO's clarification that GIDNUCR costs would most likely be limited to the relevant Regional ISO subregion, and the other proposals to limit this exception to PTOs of very small size that are not purchasing or obligated to purchase the interconnected generation to meet their own state policy goals.

Given the narrowing of the scope of the potential exception from existing TAC principles, NCPA can refrain from opposing a resolution along the lines CAISO here proposes.

2 - Do you have a preference between Options A or B? Why?

NCPA prefers that the parameters of this exception be embodied in the CAISO Tariff (Option B). It is appropriate to delineate the parameters of any exception to a rule of general applicability. Putting the requirements in the tariff will provide greater certainty in this regard.

3 - Should the PTO also include in their LV TAC rates costs associated with generation connecting with their LV system where this generation is contracting to non-PTO entities? Please provide any recommendation you may have on the handling of low-voltage network upgrade costs related to a project built to serve an entity outside the ISO.

Yes. If VEA, for example, were to contract with an interconnecting generator to serve its own load, it is only fair that the load in question should cover the costs. Similarly, direct assignment of such costs to an entity outside the Regional ISO would be appropriate where the generator was under contract to the outside entity.

4 – Any other comments or suggestions?

NCPA appreciates the CAISO's efforts to narrow the scope of this proposal and minimize disruption to the existing TAC structure.