

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Brian Theaker	NRG Energy, Inc.	June 1, 2015

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.

Submit comments to initiativeComments@caiso.com

[Comments are due June 1, 2015 by 5:00pm](#)

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

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

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 1 – Affected Systems**Topic 2 – Time-In-Queue Limitations****Topic 3– Negotiation of Generator Interconnection Agreements****Topic 5 - Stand-Alone Network Upgrades and Self-Build Option****Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process**

NRG opposes the proposed change, and offers a modification that it would support.

As NRG understands, the CAISO's proposal to base the amount of financial security that would be surrendered when a downsized project exits the interconnection queue on the original (pre-downsized) MW amount instead of the downsized MW amount stems from a concern that basing the surrendered security on the downsized amount could harm other projects in the queue that share network upgrades with the downsized and withdrawn project. The remaining projects could be harmed by the withdrawal simply because they would be assigned a greater share of the network upgrades once the project was withdrawn and would no longer be bearing a share of those network upgrade costs.

Further, in December 2014, FERC approved the CAISO's proposal for Topic 14 from the 2014 Interconnection Process Enhancements stakeholder process. Topic 14 called for forfeited financial security or study deposit moneys to be used to (1) defray the cost of network upgrades that are still needed after the project has withdrawn (if the amount of available forfeited funds is at least \$100,000), and (2) reduce transmission revenue requirements. Similar to the concern noted above, namely, that other customers that share network upgrades would bear a larger share of those costs, these remaining customers would also be harmed by lowering the amount of financial security that a downsizing resource would forfeit under the new redistribution of forfeited funds, because there would be reduced amounts of funds available to offset shared network upgrade costs.

NRG understands the rationale. In situations in which a downsizing resource shares network upgrades with other resources in the queue, it may be reasonable to base the amount of financial security that would be forfeited on the pre-downsizing MW size.

However, in situations in which (1) a downsizing resource does not share network upgrades with other queue projects, or (2) the downsizing would result in reduced network upgrade costs for other

resources, basing the amount of forfeited security on the pre-downsized project size is not reasonable. Using the forfeited financial security as a general offset to the CAISO's transmission revenue requirement could punish the downsized project completely disproportionately to any benefit they would earn from a reduced TAC.

Further, in situations in which the amount of forfeited financial security would completely cover any network upgrade costs that remain after a project is downsized (e.g., if the network upgrade is a simple remedial action scheme that will be required for other active projects), the amount of forfeited security should be capped at the portion of cost associated with the shared network upgrade.

NRG respectfully requests that the CAISO amend its proposal to:

- (1) allow the amount of forfeited financial security to be based on the downsized MW size if the downsizing project does not share any network upgrades; and
- (2) cap the amount of financial security that a downsized project must forfeit at the cost of any shared network upgrade costs that remain after the project is downsized and withdrawn, if that shared network upgrade cost is less than the amount of financial security that would be forfeited based on the pre-downsizing amount.

NRG also respectfully urges the CAISO to make any changes to the forfeiture of financial security related to downsized projects effective *after* the upcoming downsizing window has been completed.

Topic 11 –TP Deliverability Option B Clarifications