

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
Charles Mee, Senior Utilities Engineer <a href="mailto:Charles.Mee@cpuc.ca.gov">Charles.Mee@cpuc.ca.gov</a> (415) 703-1147	Office of Ratepayer Advocates	October 7, 2013
Selena Huang, Regulatory Analyst <a href="mailto:XiaoSelena.Huang@cpuc.ca.gov">XiaoSelena.Huang@cpuc.ca.gov</a> (415) 703-5247		
Robert Haga, Attorney <a href="mailto:Robert.Haga@cpuc.ca.gov">Robert.Haga@cpuc.ca.gov</a> (415) 703-2538		

### COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE CAISO'S INTERCONNECTION PROCESS ENHANCEMENTS DRAFT FINAL PROPOSAL FOR TOPICS 1 AND 2

#### I. INTRODUCTION

On September 12, 2013, the California Independent System Operator (CAISO) posted a draft final proposal on Topics 1 and 2 for its Interconnection Process Enhancements initiative (Draft Final Proposal). On September 19, 2013, the CAISO held a stakeholder call to discuss the Draft final Proposal.<sup>1</sup> The California Public Utilities Commission's (CPUC or Commission) Office of Ratepayer Advocates (ORA) appreciates the opportunity to participate in this CAISO-sponsor stakeholder process and to submit these comments regarding Topics 1 (Future downsizing policy) and 2 (Disconnection of completed phase(s) of project due to failure to complete subsequent phase).

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<sup>1</sup> The call also included a discussion of the CAISO's Supplemental presentation slides amending the September 12 draft final proposal's approach to downsizing study costs. On September 24, 2013, CAISO also posted an addendum to the Draft Final Proposal for Topics 1 and 2.

## **II. SUMMARY OF ORA'S POSITION ON TOPICS 1 AND 2**

While ORA continues to be concerned with the CAISO's deliverability assessment approach in identifying the delivery network upgrade,<sup>2</sup> ORA generally supports Topics 1 and 2 with the qualification/modification set forth below:

- In the event that a Participating Transmission Owner (PTO) chooses to upfront the transmission upgrade costs for the Interconnection Customer (IC), but the IC fails to complete a subsequent phase or decides to downsize the generation project, the cost difference between the transmission upgrade for the full generation capacity and the actual constructed generation capacity should not be eligible for cost recovery from ratepayers. PTO shareholders should bear the cost difference until the transmission upgrade is actually needed and used by generation projects in the same or later queue.

## **III. RATEPAYERS SHOULD NOT BEAR ANY COST DIFFERENCE THE INTERCONNECTION CUSTOMER MAY INCUR AS A RESULT OF DOWNSIZING OR FAILURE TO COMPLETE THE FULL MEGAWATT (MW) SIZE**

ORA generally agrees with CAISO that when an IC downsizes its generation capacity, the IC should be obligated to (i) finance the costs of downsizing studies and of amending their generator interconnection agreements (GIAs) and (ii) finance the costs of the network upgrades previously triggered by the generation project at its full size. CAISO also asserts that while it will not seek to terminate the GIA solely due to the IC's failure to complete full MW size, the IC should still be responsible for all interconnection financial security postings and costs associated with the transmission upgrade for the full MW size of the generation project as stated in the GIA, and should be required to pay for CAISO's and PTO's costs of amending the interconnection agreement. ORA agrees with the CAISO approach with the following modification: In the event that a PTO chooses to upfront the transmission upgrade costs for the IC, but the IC fails to complete a subsequent phase or decides to downsize the generation project, the cost difference between the

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<sup>2</sup> See Comments of DRA on the CAISO's Proposed Generator Interconnection and Deliverability Study Methodology (August 22, 2013), available at <http://www.caiso.com/Documents/DRAComments-GeneratorInterconnection-DeliverabilityStudyMethodologyTraining-TechnicalPaper.pdf>.

*ORA Comments To The CAISO On Its Interconnection Process Enhancements Draft Final  
Proposal for Topics 1 and 2*

transmission upgrade for the full generation capacity and the actual constructed generation capacity should not be eligible for cost recovery from ratepayers. PTO shareholders should bear the cost difference until the transmission upgrade is actually needed and used by generation projects in the same or later queue.