

Stakeholder Comments of the Pacific Gas and Electric Company

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Draft Final Proposal that was posted on July 6, 2015 and as supplemented by the presentation and discussion during the July 13, 2015 stakeholder meeting.

Submit comments to InitiativeComments@caiso.com

Comments are due July 27, 2015 by 5:00pm

The Draft Final Proposal posted on July 6, 2015 may be found at:

http://www.caiso.com/Documents/DraftFinalProposal_InterconnectionProcessEnhancements-2015.pdf

The presentation discussed during the July 13, 2015 stakeholder meeting may be found at:

<http://www.caiso.com/Documents/Agenda-Presentation-InterconnectionProcessEnhancements-2015-DraftFinalProposal.pdf>

For each topic that was modified in the Draft Final 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.

Pacific Gas and Electric Company Stakeholder Comments

Topic 1 – Affected Systems

PG&E supports the draft final proposal.

Topic 2 – Time-In-Queue Limitations

PG&E appreciates the CAISO's comments during the stakeholder call in which CAISO staff agreed to provide further information in response to PG&E's questions about the enhancements to the Time-in-Queue Limitations. PG&E requests the CAISO's analysis and insight into the following scenarios, to better understand how the interconnection process enhancements will operate.

For both scenarios, assume that there were two interconnection projects, A and B. Both project A and B will have Full Capacity Deliverability Status (FCDS) when completed. As a result of interconnection studies, it is determined that there are Deliverability Network Upgrades (DNUs) necessary for both projects to interconnect with FCDS. Project A is allocated 50% of the DNU costs, and Project B is allocated the remaining 50% of DNU costs. Construction of DNUs commences by the relevant Participating Transmission Owner (PTO). At a later time, project A converts from FCDS to Energy Only.

Prior to Project A's conversion to Energy Only, the DNUs are under construction but not yet completed.

Scenario 1

Following Project A's conversion to Energy Only, the DNUs are deemed no longer needed.

For project A, it is PG&E's understanding that the costs associated with their cost-responsibility for the DNUs are lost and unrecoverable for Project A; but Project A would still be responsible for any payments to a PTO or other party that had provided services or incurred costs up to that time in constructing DNUs.

For project B, which is proceeding towards a Commercial Operation Date (COD) with FCDS and has maintained its commercial viability criteria, please answer the following questions:

1. Are the costs incurred for DNUs by Project B not reimbursed?
2. Are the costs incurred for DNUs by Project B reimbursed by the PTO, e.g. through recovery of abandoned plant costs?
3. Are the costs incurred for DNUs by Project B paid by Project A, either directly through a cash payment or through a withholding of financial security?
4. Would the answers be any different if the DNUs were deemed still needed?

Scenario 2

If a FCDS project fully funded a DNU and later converts to Energy Only, would that project be reimbursed for the DNU? Would the answer change if the project withdraws after converting to Energy Only?

During the stakeholder call, the CAISO clarified that (1) reimbursement for DNUs would only occur following COD with assets in service that are used and useful for an interconnection project, and (2) responsibility for cost reimbursement to an interconnection project that converts to Energy Only would not be borne by a PTO and would increase cost caps for other projects relying on the DNUs. PG&E is grateful to the CAISO for these clarifications.

Topic 3– Negotiation of Generator Interconnection Agreements

PG&E supports the draft final proposal.

Topic 4 – Deposits

PG&E supports the draft final proposal.

Topic 5 – Stand-Alone Network Upgrades and Self-Build Option

PG&E supports the draft final proposal.

Topic 6 – Allowable Modifications Between Phase I and Phase II Study Results

PG&E supports the draft final proposal.

Topic 7 – Conditions for Issuance of Study Reports

PG&E supports the draft final proposal.

Topic 8 – Generator Interconnection Agreement Insurance

PG&E supports the draft final proposal.

Topic 9 – Interconnection Financial Security

PG&E supports the draft final proposal.

Topic 10 – Forfeiture of Funds for Withdrawal During Downsizing Process

PG&E strongly supports the CAISO's statement that "downsizing should be used to downsize [a] project and not merely to reduce forfeitures at withdrawal." The draft final proposal takes an important step to prevent abuse of the downsizing process for the purpose of reducing financial security forfeiture in anticipation of withdrawing from the interconnection queue.

PG&E reiterates its previous comments that the downsizing process is designed specifically to allow for the right-sizing of generation projects. If an interconnection project withdraws after downsizing its interconnection project, its forfeiture amount should be based on its pre-downsized capacity.

PG&E requests that the CAISO call out this requirement in its tariff revision filings at FERC that forfeiture amounts be at pre-downsizing amounts, as stated in its draft final proposal.

PG&E supports applying the draft final proposal to the next downsizing window, which opens in October, 2015.

Topic 11 – TP Deliverability Option B Clarifications

PG&E supports the draft final proposal.

PG&E looks forward to a successful implementation of these much needed enhancements to the interconnection process.