

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the Interconnection Process Enhancements (IPE) Revised Straw Proposal for Topics 4, 5, and 13 posted on February 5 and as supplemented by the presentation and discussion during the February 13 stakeholder meeting.

Submit comments to GIP@caiso.com

Comments are due February 28, 2014 by 5:00pm

The Revised Straw Proposal for Topics 4, 5, and 13 posted on February 5 may be found at:

http://www.caiso.com/Documents/RevisedStrawProposal_Topics4-5-13_InterconnectionProcessEnhancements_020514.pdf

The presentation discussed during the February 13 stakeholder meeting may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancements-RevisedStrawProposal-Topics4-5-13.pdf

Please provide your comments on the ISO's proposal for each of the topics listed below.

Topic 4 – Improve Independent Study Process

Please comment on the ISO's proposed enhancements to improve the independent study process in each of the following four areas:

- Criteria for ISP eligibility.
- Process and timeline enhancements.

- Tests for electrical independence.
- Clarification on behind-the-meter (“BTM”) expansion and its impact on net qualifying capacity “NQC”).

PG&E supports the updated straw proposal. In particular, PG&E believes the CAISO’s proposal to separately meter and trip behind-the-meter capacity expansions is an excellent solution to the deliverability/NQC status issue raised by LSA.

Topic 5 – Improve Fast Track

Note: The ISO’s revised straw proposal consists of two parts: (1) revisions to the fast track screens, processing fees, and the supplemental review timeline; and (2) compliance with FERC Order 792.

Please comment on the ISO’s proposed revisions to improve the fast track process including revisions to the fast track screens, processing fees, and the supplemental review timeline.

Please comment on the ISO’s proposal to comply with FERC Order 792 in each of the following areas:

- Pre-application report process
- Fast track eligibility
- Customer options meeting and supplemental review process
- Opportunity to submit comments on any required upgrades in the facilities study
- Account for the interconnection of storage devices under small generator interconnection procedures
- Require ICs wishing to interconnect using network resource interconnection service to do so under the LGIP

PG&E supports the updated straw proposal.

Topic 13 – Clarify timing of transmission cost reimbursement

Note: Based on stakeholder feedback, the ISO is offering two alternative straw proposals for stakeholder consideration and requests stakeholders to comment on the pros and cons and their preferences relative to each option.

PG&E provides comments on the specific options below, but first wants to highlight that in the CAISO’s New Resource Implementation Guide, a new term was introduced that specifically applies to phased resources: “Commercial Operation for Markets” or “COM”. As described on page 21 of the guide, as each new block of a phased resource begins commercial operation, the IC is responsible for requesting COM status by CAISO for that incremental block/phase. Once the resource is built out to its full capacity, the CAISO will declare the resource COD. So for resources with a phased implementation plan, the CAISO will declare each project phase COM before declaring the full resource COD. The options below should be cross-checked with the new term to ensure the principle of equal treatment between phased and non-phased resources remains core to each proposal.

Please comment on Option A.

While better than the status quo, option A is not our preferred solution. From PG&E’s perspective, Option A is challenging to implement with not knowing which payments made by generators will be reimbursable in each tranche. Retroactive reconciliation could be quite complicated and time consuming.

Please comment on Option B.

PG&E supports Option B, because the accounting of this option would be clean, and there is negligible risk of default by generators once they have reached commercial operation. PG&E’s preference is to minimize the number of separate reimbursement accounts that need to be created, thus our preferred approach is to limit the number of reimbursement phases to two: pre-COD and post-COD.