

WIND-SOLAR COALITION

SUMMARY OF KEY REMAINING POLICY CONCERNS ABOUT ISO GIPR PROPOSAL

The Wind-Solar Coalition supports many elements of the latest ISO GIPR proposal. This is a summary of our most significant remaining policy concerns.

Transition Cluster timing: The GIPR proposal divides Interconnection Requests (IRs) submitted by July 1st into two groups:

- **The Serial Group**, which would continue under the current “serial” study process and proceed to LGIA execution later this year. This group has System Impact Study (SIS) due dates before May 1st or met other criteria in the Waiver Request ISO recently filed at FERC.
- **The Transition Cluster**, the pre-July 1st IRs that did not make it into the Serial Group. This group is somewhat artificially large due to the July 1st closing of the then-current queue process – many IRs undoubtedly were accelerated to meet that date that would otherwise have been submitted in the months following.

Some of these projects were actually higher in the interconnection queue than some Serial Group projects but, due to various factors, their SIS due dates were later than the May 1st cutoff.

Under the current GIPR proposal, these projects, which may have submitted IRs as early as 2006, will not be included in ISO transmission plans until 2011; if major transmission upgrades are required, they may not be able to interconnect before 2016. That may be too late for projects needed to meet the state’s RPS goals; moreover, these extensive delays would be inequitable, stifle innovation, and discourage renewable developers from participating in the California market.

We have made several suggestions to the ISO about ways that Transition Cluster processing could be accelerated in time to be included in the 2009 planning process (for the 2010 ISO Transmission Plan), both in stakeholder meetings and in written comments. We urge the Board to direct Management to make this change to the current proposal and to reflect that change in the upcoming Tariff filing, to ensure this quicker and more equitable treatment of Transition Cluster projects.

Optimal transmission planning: The Coalition has strongly advocated full integration of transmission planning to accommodate generator interconnections with planning to meet other system needs, like load growth and economic transmission projects. This integrated process would allow design of optimal transmission upgrades to meet all system needs, at the least possible cost.

Early GIPR proposals adopted this full-integration approach. However, as the proposal evolved, the ISO split the process again, adding a separate “Phase II Study” for generation interconnections that would run in parallel with the annual Transmission Planning Process (TPP) for other system needs.

The ISO has promised that the generator-only Phase II Study would be “closely coordinated with” the TPP. However, later GIPR proposal versions and draft Tariff language appear to be internally inconsistent and offer little assurance that this coordination will actually take place.

We are concerned that upgrades for generation interconnections will be determined in this separate Phase II Study and then simply feed into the TPP at a late stage, missing the key opportunity for that optimization and selection of the best overall transmission alternatives. It is critical that the ISO process, and the Tariff language that will implement it, provide for early integration of preliminary Phase II Study results with the TPP. We urge you to direct Management to make these changes before the upcoming filing.

In addition, the ISO should provide details of this integration process, e.g., through draft BPM language and additional explanation of its intended process, as soon as possible.