

Stakeholder Comments Template

| Submitted by | Company | Date Submitted |
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| Jan Strack, JStrack@semprautilities.com 858-650-6179 | SDG&E | April 15 th , 2014 |

Please use this template to provide your comments on the Interconnection Process Enhancements (IPE) Draft Final Proposal for Topics 4, 5, and 13 posted on March 25 and as supplemented by the presentation and discussion during the April 2 stakeholder meeting.

Submit comments to GIP@caiso.com

Comments are due April 16, 2014 by 5:00pm

The Draft Final Proposal for Topics 4, 5, and 13 posted on March 25 may be found at:

http://www.caiso.com/Documents/DraftFinalProposal-Topics_4-5-13-InterconnectionProcessEnhancements.pdf

The presentation discussed during the April 2 stakeholder meeting may be found at:

http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancementsApr2_2014.pdf

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

Topic 4 – Improve Independent Study Process

The ISO's draft final proposal to improve the Independent Study Process (ISP) addresses 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)

Please select one of the following options to indicate your organization's overall level of support for the ISO's draft final proposal addressing the ISP:

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.

SDG&E No Comments

Topic 5 – Improve Fast Track

The ISO's draft final proposal to improve the Fast Track (FT) process addresses two areas:

- Revisions to the processing fees and study deposit, timelines, customer options meeting, and the supplemental review, among others.
- Compliance with FERC Order 792.

Please select one of the following options to indicate your organization's overall level of support for the ISO's draft final proposal addressing the FT process:

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.

SDG&E No Comments

Topic 13 – Clarify timing of transmission cost reimbursement

The March 25 paper contains the ISO's second revised straw proposal on this topic. As a reminder, the ISO's proposal is comprised of the following three elements:

1. Reimbursement for required network upgrades already in service will commence upon the generating facility or the phase that requires those upgrades achieving commercial operation, as specified in the generator interconnection agreement.
2. Reimbursement for required network upgrades placed in service subsequent to the generating facility or phase achieving commercial operation (including those under construction at the time of the commercial operation date of the project or project phase) will commence at the beginning of each calendar year for those required network upgrades placed in the service during the prior year calendar year.
3. The ISO proposes to revise the tariff to apply these new rules on a going-forward basis to both phased and non-phased projects. The ISO believes that the appropriate balance between harmonizing the repayment rules and existing customer expectations is to apply this new policy beginning with customers who have not yet received a generator interconnection agreement. However, in order to avoid a situation in which customers in the same cluster, or even in the same study group, could be subject to different repayment rules, the ISO proposes to apply these new rules beginning with the customers in the first cluster in which all projects have not yet been tendered a generator interconnection agreement at the time of FERC approval of the ISO proposal on this topic.

Please indicate your organization's overall level of support for these three proposal elements as a whole (i.e., together these three elements comprise the ISO's proposal).

In addition, please also comment on your organization's view regarding the feasibility of the second proposal element. Some stakeholders have expressed concern about the potential for multiple reimbursement periods and accounts that this second proposal element may entail. Others have questioned whether these multiple reimbursement periods will each be of five year duration. The ISO asks stakeholders to comment on these questions. The ISO is also specifically interested in whether your organization believes that the additional complexity – due to reimbursements commencing at the beginning of each calendar year for those network upgrades placed in service during the prior year calendar year – is outweighed by the benefits to interconnection customers of reimbursement commencement not having to wait until the last required network upgrade is placed in service.

SDG&E COMMENTS TOPIC 13

This is SDG&E suggested modifications to the language of section 4.3.3:

1. Reimbursement for required network upgrades already in service will commence upon the generating facility, or the **generating** phase that requires those upgrades, achieving commercial operation, as specified in the generator interconnection agreement.

2. Reimbursement for required network upgrades **not** in service **at the date** the generating facility, or generating phase, achieves commercial operation (including those network upgrades under construction at the time of the commercial operation date of the generating project or generating project Phase) will commence at the PTO's discretion, **but no later than the** beginning of each calendar year for those required network upgrades placed in the service during the prior year calendar year.
3. The ISO proposes to revise the tariff to apply these new rules on a going-forward basis to both phased and non-phased **generating** projects. The ISO believes that the appropriate balance between harmonizing the repayment rules and existing customer expectations is to apply this new policy beginning with customers who have not yet received a generator interconnection agreement. However, in order to avoid a situation in which customers in the same cluster, or even in the same study group, could be subject to different repayment rules, the ISO proposes to apply these new rules beginning with the customers in the first cluster in which all projects have not yet been tendered a generator interconnection agreement at the time of FERC approval of the ISO proposal on this topic

Other Comments on Topic 13:

SDG&E suggest that the Reimbursements will be made in the amounts, and with the timing, determined by the PTO, provided that 100% of advanced funds shall be reimbursed by 5 years from the applicable commencement date.