

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING,  
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA  
ON THE DELIVERABILITY ASSESSMENT METHODOLOGY ISSUE PAPER**

In response to the CAISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the Issue Paper discussing potential revisions to the Deliverability Assessment Methodology.

The Six Cities appreciate the CAISO's decision to move forward with consideration of possible changes to the deliverability assessment methodology through a stakeholder process, and look forward to discussing with the CAISO and stakeholders the impacts of the changes that are currently under consideration. The CAISO's initial assessment that the revised methodology may result in the identification of fewer reliability network upgrades is very encouraging.

At this Issue Paper stage of the stakeholder process, the Six Cities' comments are limited to two specific questions raised by the CAISO relating to the evaluation of possible network upgrades as part of the resource interconnection process:

- Should additional studies be added to the interconnection study process to meet the objective of avoiding excessive curtailment?
- If such studies are performed in the interconnection study process, then should the identified delivery network upgrades be required to be funded by the generator owner for its generation project to obtain full capacity deliverability status?

With respect to the CAISO's question on the inclusion of additional studies in the interconnection study process to meet the objective of avoiding "excessive curtailment," the Six Cities are not opposed to such studies, but the CAISO should ensure that the studies will be fully funded by the interconnection customer consistent with Sections 3.2(d) and 3.5.1.2 of the Generator Interconnection and Deliverability Allocation Procedures and that the inclusion of these studies will not unduly delay the interconnection process. Substantively, how would the CAISO evaluate the results of these studies to determine the quantity of curtailment that would qualify as "excessive" and therefore potentially require mitigation through upgrades? There are criteria and methodologies for identifying whether to proceed with economic and policy projects in the transmission planning process; how would these principles translate into the interconnection process?

As to the question of whether delivery network upgrades needed to address curtailment should be "funded" by interconnection customers, is the question whether interconnection customers should provide up-front financing for such upgrades, subject to subsequent repayment by Participation Transmission Owners (who then include the costs for the upgrades in their Transmission Revenue Requirements), or is the question whether interconnection customers should be responsible for paying the costs of the network upgrades, without any subsequent repayment funded by transmission customers? The Six Cities' preliminary view is that if upgrades are needed in order to avoid an undesirable level of curtailment for a particular interconnecting resource, then the interconnecting resource, and not transmission customers, should be responsible for paying the network upgrade costs.

Particularly in light of the foregoing questions, there appears to be a need to carefully coordinate any changes to study processes that are part of the transmission planning process with the interconnection process and requirements, including the deliverability allocation procedures.

Submitted by,

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