

## Valley Electric Association, Inc. (VEA)

### Comments on Draft Tariff Language for Generator Interconnection Driven Network Upgrade Cost Recovery Initiative

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Valley Electric Association, Inc. (VEA) proposes the attached comments on the CAISO's draft tariff language for the Generator Interconnection Driven Network Upgrade Cost Recovery initiative. Under the proposed tariff language, one condition for a Load Serving Entity to qualify as a Certified Small Participating TO is that the "Participating TO is not under a renewable portfolio standard or comparable municipal, county, state, or federal directive." VEA is not currently subject to any renewable portfolio requirements; however, the proposed tariff language also requires that a Certified Small Participating TO must annually submit to the CAISO an affirmation that they continue to meet the certification criteria.

If VEA becomes subject to a renewable portfolio requirement in the future, VEA should continue to qualify as a Certified Small Participating TO, so long as no generator driven network upgrade costs on Local Transmission Facilities related to resources needed to meet its renewable portfolio requirements are included in its Regional Transmission Revenue Requirement. For example, if VEA had a renewable portfolio requirement of 10 MWs, and it acquired a 10 MW renewable generator connected to its low voltage transmission system, the network upgrade costs related to that resource would be recovered through VEA's Local Transmission Access Charge, and not through the Regional Transmission Access Charge. However, if VEA had an additional 100 MWs of renewable resources that were interconnecting to its low voltage transmission system that were not used to meet any VEA renewable portfolio requirement, the network upgrade costs related to those resources would be recovered through VEA's Regional Transmission Access Charge. To implement this principle, VEA proposes to modify the annual certification requirement to provide the following:

"The Participating TO is, at the time of Certification or affirmation, not under a renewable portfolio standard or comparable municipal, county, state, or federal directive, or, if the Participating TO is subject to a renewable portfolio standard or comparable municipal, county, state, or federal directive, the Participating TO has acquired or contracted for renewable resources to be delivered during the following year that will fully meet or exceed the Participating TO's renewable portfolio requirements and all costs of generator driven network upgrades on Local Transmission Facilities needed to meet such requirements are not included in the Participating TO's Regional Transmission Revenue Requirement."

Based on these comments, attached are VEA's proposed edits to the draft tariff language.