

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 Issue Paper posted on June 3 and as supplemented by the presentation and discussion during the June 11 stakeholder web conference.

Submit comments to GIP@caiso.com

[Comments are due June 25, 2013 by 5:00pm](#)

Topic 1 – Future downsizing policy

1. What is the demand for a second downsizing opportunity? Would a second downsizing opportunity be sufficient, or do stakeholders believe that there will be further demand beyond a second downsizing opportunity? **The need for downsizing arises only because an IR is for a larger number of MW than the project will actually be able develop. In other words, a currently non-viable project needs to downsize to have a chance of being viable and, understandably, they want to do that without losing the benefits associated with being in an earlier queue position. Until the queue is cleared of all pre-Cluster 5 projects, there will likely remain a desire for downsizing opportunities. Downsizing is thus an incentive for projects to continue to remain in the queue because the opportunity for future downsizing provides valuable optionality to maintain pre-Cluster 5 benefits. Is this what the CAISO wants?? The CAISO should require a project that receives the benefits of downsizing to agree to the GIDAP requirements related to how long it can remain in the queue and for receiving Deliverability. This would support the CAISO effort to manage the queue as well as mitigating to some extent the discrimination/disadvantage that additional downsizing opportunities create against projects that relied upon the Tariff.**
2. What are stakeholders' views on the ISO's position that a downsizing request window of limited time duration should be utilized in any future downsizing opportunity? **If more downsizing opportunities are to be provided to pre-Cluster 5 projects are to be allowed, it is entirely rational/reasonable for it to be done in "groups".**

3. The ISO believes that funneling downsizing requests through such a window permits ISO and PTO transmission planning engineers to evaluate the collective impacts of all downsizing requests in the most efficient manner possible (in contrast to the inefficiency and associated chaos of having to review the impacts of downsizing requests sequentially, at any time that an interconnection customer chooses to submit such a request). Similarly, expansion of the ability to downsize through a “material modification” review would essentially allow downsizing requests to be submitted at any time and would thus present the same problems. What are stakeholders’ views on this? **Projects eligible for these new downsizing opportunities would seemingly have no need to use a material modification to address a downsizing request. There may however be situations where a material modification request is reasonable and appropriate. The CAISO should not eliminate this options but it would also be reasonable for the CAISO to have “hurdles/standards” for a project to demonstrate why it cannot wait for the next group downsizing opportunity.**
4. To the extent there were a need for additional downsizing opportunities,
 - a. what would be the optimal frequency of downsizing request windows? For example, one per year or one every two years? **Annually at most seems sufficient.**
 - b. how many downsizing request windows do stakeholders believe should be considered? **The question seems to be how long does the CAISO want to allow otherwise non-viable (over-sized) projects to remain in the queue. As long as there is another downsizing opportunity in the future, there will always be a possibility that a non-viable project can reinvent itself and become viable. Thus, a project is unlikely to ever voluntarily leave the queue since that also involves forfeiture of security postings.**
 - c. what should be the timing of a downsizing request window? The ISO suggests that the timing of a downsizing request window should be such that there is sufficient time to validate the requests received and study their combined impacts at the same time the re-assessment study is conducted in accordance with the GIDAP timeline. What are stakeholders’ views on that? **Coordinating any downsizing opportunities with existing study efforts is definitely reasonable.**

There is also the question of whether a project should be able to downsize more than once. This has obvious implications as to how long a project remains in the queue and the resulting benefits/damage to the CAISO’s queue clearing efforts as well as adverse impacts to other projects later in the queue.
5. Please comment on the ISO’s position that future downsizing options should be limited to pre-Cluster 5 customers because the GIDAP already provides certain opportunities to downsize projects that were not available under the GIP. **Depending on how future downsizing opportunities are implemented, there will be significantly more flexibility than is available to Cluster 5 and later projects. There is no good reason to discriminate against Cluster 5 and later projects. That said, the existing process should have sufficient flexibility and making retroactive changes is not a good practice/policy to establish.**

6. Stakeholders are asked to comment on other important features of the current one-time downsizing opportunity. For example, customers who are affected by but are not downsizing should be protected. As an additional example, downsizing projects should bear the costs of the downsizing study and any resulting interconnection agreement amendments. **New downsizing opportunities need to take account of the discriminatory/adverse impacts it will have on other projects. As a minimum, downsizing projects should be required to accept the deliverability allocation and time in the queue provisions applicable under GIDAP.**
7. What are stakeholders' views on the continued use of the non-conforming partial termination provisions as a future downsizing option? Although the ISO does not view this as a generally applicable downsizing option, do stakeholders view its continued availability as critical? **The procedures currently allow for partial termination for certain events and this should not be eliminated. A project should face the prospect of termination of an interconnection agreement for events beyond their reasonable control.**

Topic 2 – Disconnection of first phase of project for failure of second phase

1. Please expand on the explanation of how current risk of disconnection affects project financeability and viability.
2. Stakeholders are asked to suggest potential ways to reduce risk for developers, short of blanket elimination of ISO termination rights.
3. Please suggest what alternative, equitable non-termination remedies to GIA default might look like.
4. Please comment on the proposed modification to the safe harbor to “greater of 5% or 10 MW. **This is a step in the right direction but must continue to be accompanied with the ability to a larger downsizing safe harbor if it is the result of events not reasonably under the control of the project. Disconnecting an operating project serves no good purpose.**

Topic 3 – Clarify tariff and GIA provisions related to dividing up GIAs into multiple phases or generating projects

1. Are there additional scenarios beyond the three scenarios described on page 29 of the issue paper?
2. What thresholds should be used in allowing projects to be broken into multiple phases?
3. Should there be a minimum total MW size threshold to be eligible to divide a project into phases? For example, would it make sense to allow a 5 MW project to be split into smaller phases?
4. Should there be a maximum number of phases into which a project can be divided?
5. Should there be a minimum MW size for each phase?

6. Should criteria be imposed that include both a minimum total MW threshold and a minimum phase size in MW or a percentage of the total project?
7. When during the interconnection process should an IC be allowed to request to implement a phased structure for its project?

The CAISO is rightfully concerned about creating a windfall commodity – a piece of a long held queue position that is not subject to provisions which allow the CAISO to remove it from the queue. There should be some nexus between the initial and the reformulated/phased project. For example, it would not be reasonable to allow a 500 MW gas fired project that has been in the queue for many years to change technology and then break itself into twenty-five 20 MW projects. That is clearly well beyond any intent of the developer when the interconnection request was filed. That said, the market has changed significantly and it is not unreasonable for a project that was originally contemplated as, for example, 50 MW to now be developed as three smaller projects. And it would also not be unreasonable for the CAISO to look for some reasonable form of relationship between the various phases (i.e. the interconnection request was not simply a queue speculator looking to broker the queue position as a commodity).

Topic 4 – Improve Independent Study Process

1. Are you interested in participating in the ISP working group and able to devote significant time outside of the standard Interconnection Process Enhancement stakeholder process? **Yes, the ISP was created in recognition that some projects could be well located and developed to commercial operation much faster than the interconnection process would otherwise allow. It seems that projects which were the model for the original ISP process would no longer qualify. There needs to be a process so that projects which can be developed quickly are not held hostage to the long, and frequently delay, interconnection process. And a project going through ISP should not be delayed/prevented from getting deliverability.**
2. If yes, are you interested in the policy aspects, technical aspects or both? **Both**
3. Do you have an interest in the behind the meter expansion component of the ISP and if so, please summarize your thinking on revisions to the behind the meter expansion component? **It's not clear why behind the meter expansion should be treated differently if it is going to increase the total output to the grid at any instant in time.**

Topic 5 – Improve Fast Track

1. Are you interested in participating in the FT working group and able to devote significant time outside of the standard Interconnection Process Enhancement stakeholder process?
2. If yes, are you interested in the policy aspects, technical aspects or both? **Both**
3. Are you able to provide engineering expertise for developing FT screens related to a networked transmission system?

Topic 6 – Provide for ability to charge customer for costs to process a material modification request

1. Should the cost for modification requests be a fixed fee or deposit and actual costs incurred be charged against deposit? **Actual costs since the study effort and difficulty of the special study will likely not be the same for all projects.**
2. Should existing study funds be used for modification assessments? **To the extent there are unspent funds, yes.**
3. If a separate deposit is made, should it be refunded at the end of that modification assessment or once the project achieves COD?

Topic 7 – COD modification provision for small generator projects

1. Do stakeholders agree that small generators should be afforded a similar mechanism to modify their project as a large generator?
2. Should small generators be allowed to change their POI if the change does not impact other queued projects and there is a benefit for making that change?
3. Should small generators be allowed to modify their project during the study process?
4. Should small generators be allowed to extend their commercial operation date for three years from the COD in their interconnection request would be deemed not material, similar to Section 4.4.5 of Appendix U for larger generators?

Topic 8 – Length of time in queue provision for small generator projects

1. Should small generator have the same time to develop their project as a large generator (i.e. 7 years)? If no, what should the length of time be for the developer of a small generator?

Topic 9 – Clarify that PTO and not ISO tenders GIA

1. Do stakeholders have a concern with amending the tariff to be consistent with existing implementation?
2. If yes, what are those concerns and how would the stakeholder propose to resolve those concerns?

Topic 10 – Timeline for tendering draft GIAs

1. Do stakeholders have an issue with changing the trigger for tendering of GIAs?

Topic 11 – LGIA negotiations timeline

1. Do Stakeholders agree with the best effort language?

2. If Stakeholders agree with triggering the tendering of agreements off of the Results Meeting, do you agree with triggering the negotiation off of the same event?
3. Do Stakeholders want to change the 15 BD to 10 BD for providing a final GIA for execution? If yes, do Stakeholders agree that the information request sheet must be provided in advance of finalizing the negotiation?
4. Are Stakeholders concerned with the process of required written agreement from all three parties on extending the tendering and negotiation timeline as a proxy for prioritization? If yes, then what prioritization process would you propose given the questions discussed above?

Topic 12 – Consistency of suspension definition between serial and cluster

1. With the narrow focus of ensuring that other queue projects are not impacted if a serial project suspends, are stakeholders still concerned with the topic?
2. Are stakeholders willing to accept the consequences if a serial project suspends and then impacts the ability for later queue projects to achieve their COD?
3. Are stakeholders willing to accept the consequences if a serial project suspends and then impacts the ability for later queue projects to achieve their full capacity deliverability status?
4. Do you have a better idea to mitigate this risk for later queue projects?

In addressing this issue, the CAISO needs to resolve a problem in the current pro forma LGIA. A shared-cost upgrade cannot be delayed at the request of a project. The CAISO should have the ability to look at specific facts to determine whether a shared-cost upgrade could be delayed without adversely impacting other projects. For example, due to queue attrition (whether due to developer action or CAISO queue management), you may have the situation where a shared-cost upgrade will not be needed unless/until the last of the remaining projects with cost responsibility comes on line. In this case, not allowing a delay may result in an upgrade being constructed and paid for by retail consumers when the upgrade is not ultimately needed. Such unnecessary costs should not be incurred and the CAISO should have the ability/obligation to look at these situations to make a reasonable/prudent decision and protect against unnecessary upgrades to the transmission system. As part of such a review, the CAISO may even determine that only some of the upgrades remain necessary and cancelling such upgrades would also be the right decision for the CAISO to make.

Topic 13 – Clarity regarding timing of transmission cost reimbursement

1. What are stakeholders' views on going forward whether cost reimbursement should require both commercial operation and network upgrades in service?

Topic 14 – Distribution of forfeited funds

1. If some stakeholders believe that the scheduling coordinator approach should be abandoned, then do stakeholders have any specific ideas for alternative approaches to the distribution of forfeited funds?
2. Please comment on the possible use of forfeited IFS funds to offset resulting cost increases for projects remaining in queue as a way to mitigate impacts of withdrawals on other interconnection customers.
3. Please comment on the stakeholder-suggested idea of applying forfeited IFS funds to a PTO's transmission revenue requirement to reduce the transmission access charge and thereby benefit ratepayers who ultimately bear the costs of the transmission upgrades.
4. Please comment on the possible use of forfeited funds by the ISO and PTO for study costs previously incurred that an interconnection customer defaults on.

Topic 15 – Inverter/transformer changes

1. The ISO believes that it should be more transparent with respect to its material modification review including which modifications are allowed without a review. What modifications do stakeholders believe should be made without a material modification review?
2. If a formal material modification review is not made, what type of notification process would stakeholders envision should be implemented so that the ISO and PTO are aware of the changes?