

Stakeholder Comments Template

Subject: Small and Large Generator Interconnection Procedures Draft Final Proposal and Meeting

Submitted by	Company	Date Submitted
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This template was created to help stakeholders submit written comments on topics related to the July 20, 2010 Small and Large Generator Interconnection Procedures Draft Final Proposal and July 27, 2010 Small and Large Generator Interconnection Procedures Stakeholder Meeting. Please submit comments and thoughts (in MS Word) to dkirrene@caiso.com no later than 5:00 pm PDT August 4, 2010.

Please add your comments where indicated responding to the questions raised. Your comments will be most useful if you provide the business case or other reasons why you support particular aspects of the proposal. Any other comments on the proposal are also welcome. The comments received will assist the ISO with the development of the FERC filing of modified tariff language.

Overall Assessment of the ISO Proposal

In September, the ISO Board of Governors will be asked to authorize a filing at FERC of tariff language to implement the elements of the Draft Final Proposal (with possible modifications in response to this round of comments).

1. Do you support ISO Board approval of the proposal? Why or why not?
2. Do you believe the proposal accomplishes the objectives this initiative was intended to address? If not, please explain.
3. Do you believe the proposal reflects an appropriate balance of the various stakeholder interests and concerns raised in this process? If not, please explain.

enXco commends CAISO for facilitating an effective stakeholder process and being responsive to stakeholders' input.

One of the primary concerns among most stakeholders in this process is the amount of time to process interconnection requests for small generators. While we applaud the CAISO for considering ways to shorten the existing process, we also believe it is fundamental that there is

transparency and public disclosure on CAISO's progress in making the interconnection process less time intensive. In short, what is both measured and clearly disclosed will be better managed.

Accordingly, we recommend that the CAISO measure—and publish in an easy-to-understand manner (e.g., graphics)—a metric indicating average application processing time during each quarter. Over time, length of processing time should be compared with previous quarters to indicate whether or not there has been progress in shortening the amount of time. CAISO can add text or other figures (e.g., application volume) that pertains to underlying factors affecting processing time.

Proposed Study Deposit Amounts and/or Processing Fees

1. In general, do you support the proposed study deposit amounts and/or processing fees?
2. If not, what modifications are needed and why?

enXco supports the CAISO graduated study deposit proposal of \$50K base plus \$1K/MW up to a maximum of \$250K. This graduated study deposit structure will incentivize right-sizing projects from the start and make the process more effective compared to the current binary study deposit arrangement. With respect to study deposits, we would like to request that the study deposits be made retroactively applicable to Cluster 3 interconnection requests.

Proposed Annual Cluster Study Track

1. In general, do you support the ISO's proposal to study projects of any size in a single, unified cluster?
2. If not, what modifications are needed and why?
3. If you do not support a single cluster approach in any form, what would be your preferred alternative and why?

Second Application Window – Scoping Meeting

1. In general, do you support the ISO's proposal to open a second application window to receive interconnection requests for the purpose of receiving a scoping meeting?
2. If not, what modifications are needed and why?

Second Application window – Enter Cluster at Phase II

1. In general, do you support the ISO's proposal to open a second application window to receive interconnection requests for the purpose of waiving the Phase I study and entering the cluster for study at the Phase II study?
2. If not, what modifications are needed and why?

Second Application Window – Enter Cluster at Phase II Criteria

1. In general, do you support the ISO's proposed criteria to qualify a project to waive the Phase I study and enter the cluster at the Phase II study?
2. If not, what modifications are needed and why?

If our suggested modifications are adopted, we fully support the CAISO's proposal to meld the LGIP and SGIP processes.

Coordination with the Transmission Planning Process

1. In general, do you support the ISO's proposal to reevaluate certain network upgrades in the Transmission Planning Process?
2. If not, what modifications are needed and why?
3. If a network upgrade is selected for reevaluation by the Transmission Planning Process should the associated generation project proceed with a Large Generator Interconnection Agreement that contains a provision to allow for later amendment of the Large Generator Interconnection Agreement if warranted by the Transmission Planning Process reevaluation results? Why or why not?

No comment

Independent Study Processing Track

1. In general, do you support the ISO's Independent Study Processing Track proposal?
2. What modifications are needed and why?
3. What specific aspects of a developer's project development process make it impossible for a developer to demonstrate eligibility for the Independent Study Processing Track at the time of the Interconnection Request?

enXco supports the Independent Study Processing (ISP) Track proposal but recommends the removal of the partially subjective "electrical independence" criterion and creation of a consistent ISP study process.

Fast Track less than 2 MW

1. Should the ISO remove the 10th screen from the Fast Track? Why or why not?
2. Should the ISO increase the size limit for Fast Track qualification? If so, would you support a 5MW size limit or a different value? Explain your reasons.

enXco supports removal of the 10th screen and increasing the size limit to at least 5MW with a consideration to even greater, up to 20MW, given the limited impact of these sizes on the grid relative to LGIP projects. enXco asks that CAISO review and modify its criteria so that more projects with very limited grid impacts can pass the screening process.

Method to Determine Generator Independence

1. In general, do you support the ISO's proposed method to determine generator independence?
2. If not, what approach would you propose for determining generator independence? Explain why your proposed approach is superior to the ISO's proposal.
3. If you prefer completely eliminating the independence criterion to qualify for the Independent Study Processing Track, how would you address the concern about impacts of Independent Study Processing Track projects on other interconnection customers (including cluster projects) in higher queue positions?

As noted above, enXco finds the process of determining electrical independence of ISP projects to be partially subjective and should be removed. It is essential for CAISO to develop a consistent ISP study process.

Deliverability Proposal

One-Time – Enter Cluster 4

1. In general, do you support the ISO's proposal to allow a one-time deliverability assessment to obtain Full Capacity during cluster 4?
2. If not, what modifications would you support and why?

Annual – Available Transmission

1. In general, do you support the ISO's proposal to provide an annual opportunity for qualified projects to request and obtain Full Capacity using available transmission?
2. If not, what modifications would you support and why?

enXco supports CAISO's proposal that allows all Energy Only projects to apply for and receive full or partial deliverability using its hybrid method. We propose the following modifications to the CAISO proposal:

- Until such time that the PTOs offer the option of WDAT studies with a full deliverability option to all generators, the CAISO should allow those WDAT projects that are forced to be Energy Only (EO) projects in the WDAT process to apply for full deliverability with the CAISO in a process similar (or identical) to the one that the CAISO intends to use for one-time conversion of the existing EO projects.
- CAISO should abandon the concept of rounding it is considering for "reducing" the calculated deliverability level of the EO projects that receive deliverability as part of the CAISO annual deliverability allocation process. We do not understand why such a rounding is at all necessary and we are also concerned about the 50 MW increments that are proposed for such a rounding exercise; we find this increment to be too large.

Financial Security Postings

1. In general, do you support the ISO's financial security postings proposal?
2. What modifications are needed and why?

enXco finds the \$25M cap for the Phase II network upgrade financial security posting for projects larger than 20 MW to be excessively large, particularly considering that most such upgrades are many years away anyway. We are concerned that the very high Phase II financial security posting requirement will cause viable generation projects to leave the CAISO queue and not materialize.

Instead of such an arbitrarily and excessively high number, we suggest a formula similar to the one used for determining the Phase I network upgrade financial security posting requirement be used here as well - i.e., the Phase II network upgrade financial security posting should be the lower of:

- a. 30% of the lower of total network transmission cost responsibility assigned to the interconnection customer in Phase I or Phase II study reports,
- b. \$30,000 per megawatt of the proposed new generating capability, or
- c. a figure between \$7-10 million.

Transition Plan

1. In general do you support the ISO's proposed transition plan?
2. What modifications are needed to all you to support the ISO's transition plan?

What aspect of the ISO's Draft Final Proposal do you find most favorable?

What aspect of the ISO's Draft Final Proposal do you find least favorable? Please provide the business case or other rationale for your answer.

Do you have any additional comments that you would like to provide?

enXco does not agree with the CAISO proposal that, as part of the transition process, all the existing SGIP projects that desire deliverability (Full Capacity status) must leave the queue and return into the Cluster 4. Instead we suggest that the CAISO complete the energy-only study for SGIP projects that have already been patiently waiting in the queue, while also assigning these projects to Cluster 4 for a Deliverability Assessment.

enXco suggests that all existing SGIP projects that must be moved to Cluster 4 not be required to post full Cluster 4 study deposit requirement. We believe that these projects should be asked to only make an incremental deposit equal to the difference in the Cluster 4 study deposit requirement, as calculated using the CAISO new formulae, and all the payments that they have so far rendered to the CAISO for their existing SGIP studies.

Thanks!