

Decision on Generator Interconnection Procedures Phase 2

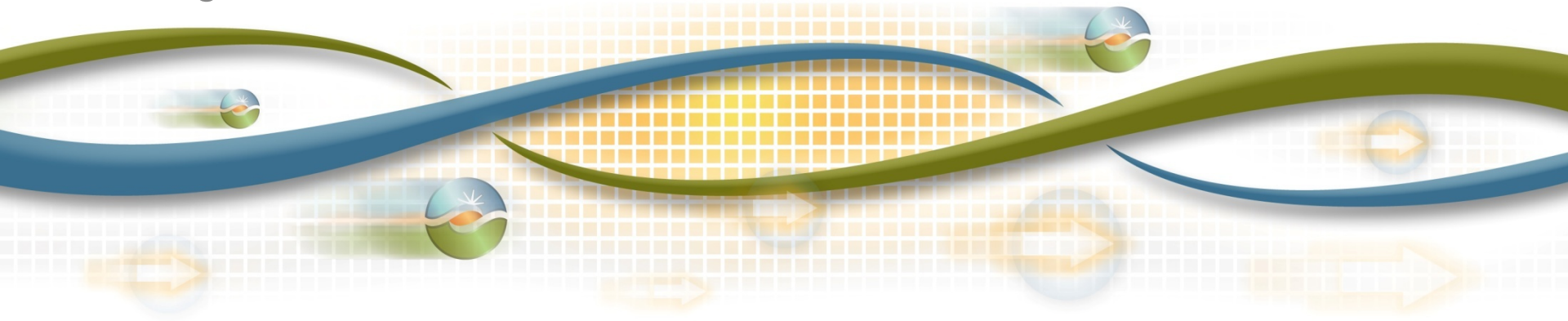
Keith Johnson

Manager, Infrastructure Policy and Contracts

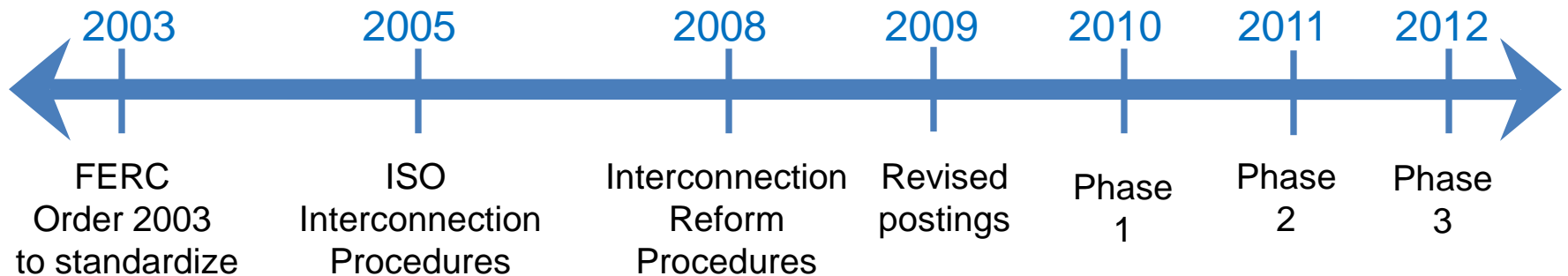
Board of Governors Meeting

General Session

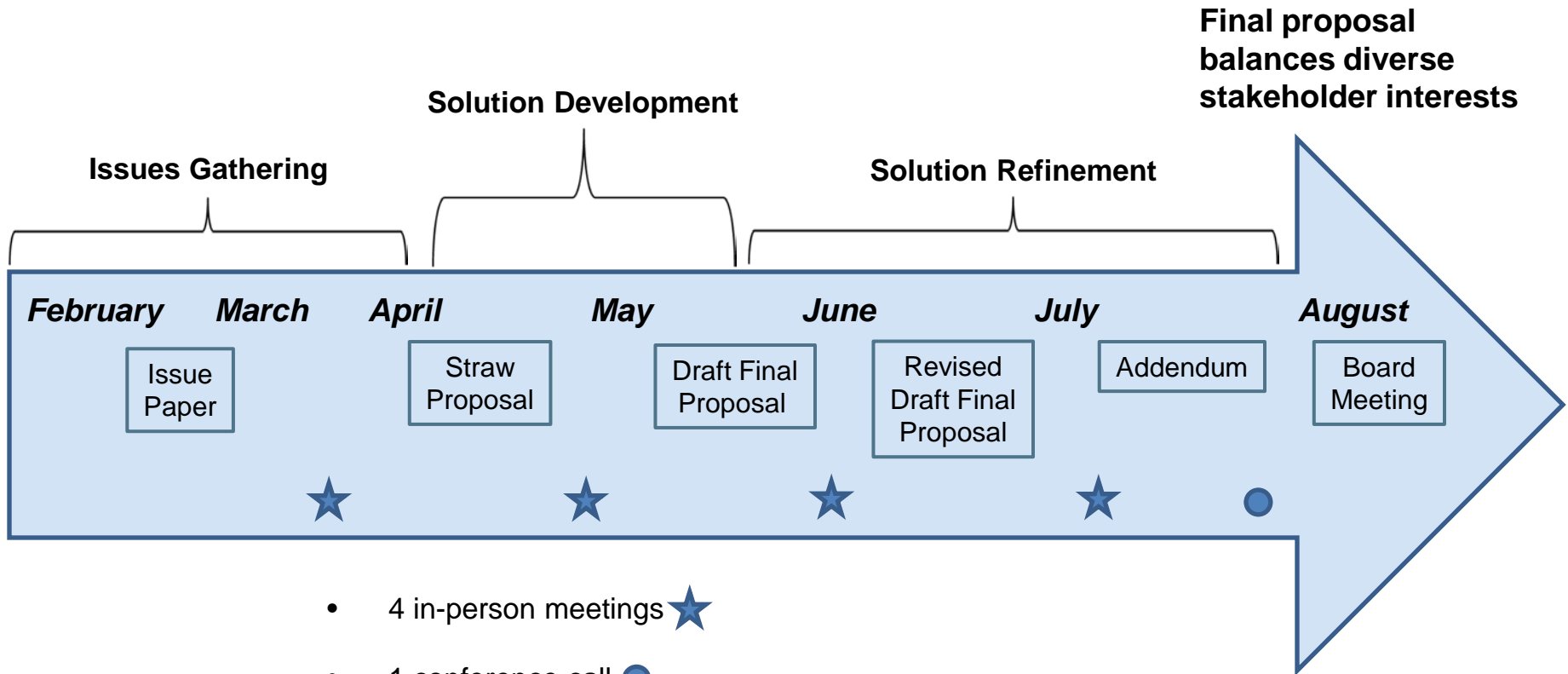
August 25-26, 2011



Industry is changing and ISO is committed to constant improvement of its interconnection procedures.



The ISO led a collaborative stakeholder process over 7 months to explore issues and develop solutions.



- 4 in-person meetings ★
- 1 conference call ●
- 12 working group meetings
- 4 rounds of written comments

The 18 proposed tariff changes add improvements to many aspects of the interconnection process.

- Clarify existing practices
 - 4 improvements
- Streamline the process
 - 5 improvements
- Provide greater flexibility to customers
 - 9 improvements

Stakeholders support major aspects of the proposal, but concerns remain.

- Proposal does not go far enough regarding
 - Allowing project size reductions
 - Clarifying consequences of generation project not being fully developed
- Repayment should be triggered on completion of generation
- Abandoned plant provisions may increase risk of stranded costs to ratepayers

Management recommends approval of the 18 proposed tariff changes in Attachment 1 to the Board memo.

- Proposal will
 - Further improve and streamline the interconnection process
 - Facilitate meeting the state's renewable portfolio standard goals
- The ISO will continue to address remaining issues in phase 3