

Stakeholder Comments Template

Subject: Remote Resource Interconnection Policy

Submitted by	Company	Date Submitted
Gary Hardke Managing Director Cannon Power Corp. P.O. Box 675143 Rancho Santa Fe, CA 92067 Tel. 858 756 0472 Fax 858 756 0475 Email: garyhardke@cs.com (please also send a copy of any communications to: Lynn Haug Ellison, Schneider & Harris, LLP 2015 H Street Sacramento, CA 95814 916-447-2166 Email: lmh@eslawfirm.com	<i>Cannon Power Corp.</i>	<i>June 15, 2007</i>

This template has been created for submission of stakeholder comments on the following topics covered in the June 1 Market Notice regarding Remote Resource Interconnection Policy. Upon completion of this template please submit (in MS Word) to chinman@caiso.com. Submissions are requested by close of business on Friday June 15, 2007.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. What is the minimum percentage of capacity of eligible projects that must be subscribed pursuant to executed Large Generator Interconnection Agreements before construction can commence?

no comment at this time

2. What are the appropriate criteria for demonstrating “additional interest” (i.e., interest more than the requisite minimum percentage of LGIAs) for an eligible project?

no comment at this time

3. What is the minimum percentage of “additional interest” that should be shown for an eligible project before construction can commence?

no comment at this time

4. Do wheel-through customers receive benefits from a Remote Resource Interconnection Facility? Should the costs of a Remote Resource Interconnection Facility be included in wheel-through rates? Why or why not?

no comment at this time

5. What are the key elements of and considerations for a transmission planning process for the Remote Resource Interconnection Policy?

no comment at this time

6. What principles should be applied and factors considered to ensure that a proposed Remote Resource Interconnection Facility will result in a cost effective and efficient interconnection of resources to the grid?

no comment at this time

7. How should Energy Resource Areas be selected?

In response to CAISO’s proposal that state entities such as the CEC or CPUC identify and assess potential Energy Resource areas, FERC’s Order Granting Petition for Declaratory Order (119 FERC ¶ 61,061) (Order) determined (at ¶ 90) that “...tariff provisions will make clear how these areas will be selected.” Cannon Power supports this approach, and recommends that the CAISO tariff specify the CEC as the agency that will administer the process of identifying and assessing potential Energy Resource Areas.

Cannon Power further recommends that the tariff language discussing potential Energy Resource Areas explicitly clarify that eligible Energy Resource Areas may be located adjacent to or overlapping the borders of the CAISO control area, as long as the multi-user interconnection facilities that would be subject to the rate treatment approved by the FERC order are located within the CAISO control area. This clarification is important, as some significant potentially eligible remotely located renewable resource areas straddle the borders with Mexico, Nevada, the Pacific Ocean and possibly other neighboring control areas. This clarification is consistent with FERC’s mandate, and with the Order’s underlying intent. For example, the Order (at ¶ 68) specifically concludes that the CAISO’s proposal is consistent with and supports the California renewable portfolio standard (RPS). Under the California RPS, renewable resources located outside of California may meet the definition of “in-state eligible renewable resource” if the energy is destined for use within California and meets certain in-state delivery requirements (see: <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>). Likewise, FERC’s instruction to integrate this implementation process with Order 890 transmission planning processes strongly

supports the inclusion of border resources in defining eligible Energy Resource Areas. Remotely located resource areas that may interconnect within CAISO to serve California customers do not fall neatly within CAISO boundaries. They overlap borders and may be located offshore, and it is very important that the tariff rules reflect this geographical reality. Cannon Power looks forward to working with the Commission to develop clear and workable tariff rules.

8. Should the CAISO consider tariff changes to its existing authority to "cluster" interconnection studies to enhance its ability to efficiently evaluate locationally-constrained resource areas

no comment at this time

9. Other

(Submit Comments Here)