

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 Scoping Proposal posted on April 8 and supplemented by the presentation discussed during the April 22 stakeholder web conference.

Submit comments to GIP@caiso.com

Comments are due April 30, 2013 by 5:00pm

The Scoping Proposal posted on April 8 may be found at:

<http://www.caiso.com/Documents/ScopingProposal-InterconnectionProcessEnhancements.pdf>

The presentation discussed during the April 22 stakeholder web conference may be found at:

http://www.caiso.com/Documents/Agenda-Presentation-ScopingProposal-InterconnectionProcessEnhancementsApr22_2013.pdf

Part 1

Please provide your feedback on the 12 topics initially proposed to be in scope in the April 8th Scoping Proposal by responding to the following:

1. *If you believe that one or more of these 12 topics should not be in scope, identify those and provide a detailed explanation of why – [See Part 2, Question 3](#)*
2. *If you believe that the description of a topic (i.e., one of the 12) is not accurate, provide your preferred description of the topic –*

Part 2

Please select five topics of greatest importance to you from (i) the 49 topics included in the April 8th Scoping Proposal and (ii) any additional generation interconnection process related topics not already included in the 49 topics, and rank them in order of importance using the table provided below (a rank of "1" being most important). Note: Numerical rankings are informative but the detailed explanations you provide below the table will be critical for the ISO as we assess the scope of this initiative.

Top 5 topics selected by stakeholder

Topic No. (if one of the 49 topics; otherwise use N/A)	Topic Name (either the topic name used in the Scoping Proposal or, if a new topic provide your own name for the topic)	Rank
28	External Transmission Lines	1
		2
		3
		4
		5

Detailed explanations

1. Provide a detailed description of each topic. Use the topic description in the Scoping Proposal if you believe it is an accurate description of the issue; otherwise provide your preferred description of the topic. For new topics, provide your own detailed description.

Under this topic the ISO would explore a path for the developer of an external transmission facility planned to provide pseudo gen-tie service to generating facilities external to the ISO to connect to the ISO grid, to participate in the ISO's GIP and obtain reliability and delivery network upgrade requirements and deliverability status; prior to identifying the specific generation projects that will utilize the transmission facility. The ISO has received inquiries from developers of external transmission lines who see a business opportunity in transporting renewable energy from areas of the west rich in wind or solar potential to the ISO grid to help meet California's RPS requirements and provide low-cost, clean energy. These transmission developers are not seeking ISO Transmission Access Charge cost recovery for their proposed transmission project; instead, their intention is to attract generating facilities that wish to interconnect to the external transmission line by providing them with "deliverability" to the ISO grid in return for the generators paying charges to the developer of the external transmission

line for providing this service. Under the current GIP, the ISO has taken the stand that it can only provide deliverability to a generation project that submits an interconnection request, not to a transmission developer. The concept would be to develop rules under the GIP whereby a developer of such an external pseudo generation-tie could apply to the GIP for interconnection studies within a cluster to determine reliability and delivery network upgrades and costs on the ISO's system for a certain quantity of eventual generation it expects to deliver to the ISO grid, with the specific generating resources to be identified at a later time. The transmission developer would contract with specific generators and offer them deliverability that the transmission developer had obtained through the GIP.

2. *Provide a detailed explanation of the rationale for your selection of these five topics and your rankings –*

Addressing the issue of deliverability for external transmission lines and associated interconnected renewable resources is of paramount importance to merchant transmission developers looking to invest in new infrastructure to bring low-cost renewable resources into California. If the ISO perpetuates the status quo, wherein no process exists by which an external transmission line can gain deliverability on behalf of a future mix of generators, interstate merchant transmission projects will struggle to progress, and the ISO will have explicitly chosen to support the continuation of a discriminatory barrier to entry that keeps competitive external, high-quality renewable resources out of its market.

External transmission lines offer many potential benefits to the California grid and California customers. The best renewable resources in the region will produce the lowest cost electricity. Previously isolated resources will be available to serve the largest demand centers. Geographic diversification will ease the integration of variable resources, especially as heavy dependence on solar during certain hours makes wind's capacity value increase.

Ultimately, the success of external merchant transmission lines will hinge on their ability to sign up capacity customers. The ISO should allow this process to move forward, not hinder it in its infancy by preventing external lines from being eligible for deliverability rights.

3. *Identify which of the 12 topics initially proposed to be in scope you recommend your selected topics should replace –*

The ISO should replace Topic 6 – “Provide for ability to charge customers for costs for processing a material modification request.” While this topic is important and should eventually be considered, it should not leap ahead of topics that have been previously proposed and have received strong stakeholder support. Topic 6 was not proposed in the original GIP 3 process and there has been no stakeholder polling of its urgency. Eliminating a “High” effort item like Topic 6 will open up resource to deal with previously proposed, urgent issues like deliverability for external transmission lines.