

**Stakeholder Process: Decision on interconnection process enhancements for independent study and fast track processes and FERC Order No. 792**

## Summary of Submitted Comments

Stakeholders submitted three rounds of written comments to the ISO on the following dates:

- Round One: Scoping proposal posted 4/8/13; web conference held 4/22/13; comments received 4/30/13.
- Round Two: Issue paper posted 6/3/13; web conference held 6/11/13; comments received 6/25/13.
- Round Three: Straw proposal posted 7/18/13; web conference held 8/08/13; comments received 8/22/13.
- Round Four: Revised straw proposal posted 11/8/13; web conference held 11/18/13; comments received 12/6/13.
- Round Five: Revised straw proposal posted 2/5/14; web conference held 2/13/14; comments received 2/28/14.
- Round Six: Draft final proposal posted 3/25/14; web conference held 4/2/14; comments received 4/16/14.

Stakeholder comments are posted at: <http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=B20AEEBD-22F2-458A-A323-CA324A7A4786>

**Stakeholders that submitted written comments on the Draft Final Proposal:** California Public Utilities Commission (CPUC) staff, Independent Energy Producers (IEP), Large-scale Solar Association (LSA), Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric (SDG&E), the Six Cities<sup>1</sup>, and Southern California Edison (SCE).

**Other stakeholders that also participated in the initiative:** AES Solar, Bay Area Municipal Transmission group, BrightSource Energy, Caithness Energy, CalEnergy, California Department of Water Resources, California Energy Commission, California Wind Energy Association, Office of Ratepayer Advocates, Clean Coalition, Clean Line Energy Partners, Customized Energy Solutions, Edison Mission Energy, Enel Green Power, Exelon Energy, First Solar, Frontier Renewables, Imperial Irrigation District (IID), JP Morgan, LS Power, MidAmerican Renewables, Modesto Irrigation District (MID), NextEra Energy, Northern California Power Agency, NRG Energy, Park Energy, PARS Energy, Recurrent Energy, SCD Energy Solutions, Sempra USGP, Silverado Power, Silver Ridge Power, Southern California Gas, SunEdison, Tenaska, Terra-Gen Power, TriMark Associates, Transmission Agency of Northern California, Turlock Irrigation District, Wellhead Electric Company, and ZGlobal.

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<sup>1</sup> Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.

Management proposal	Generators	Transmission Owners	State Agencies	Management response
<p>Management is proposing improvements to the independent study process.</p>	<p>IEP, LSA – Supports with qualifications.</p> <p>IEP – Believes the ISO could satisfy its concerns regarding behind-the-meter-related NQC expansion if it were to apply a materiality test (as used in the material modification assessment) whose criteria clearly limit the size of the expansion such that prior study work would continue to apply and the behind-the-meter application would not trigger a need to restudy.</p> <p>LSA – Maintains that the material modification assessment process should apply to a behind-the-meter process; and allow for separate ownership of the original facility and the expansion component, subject to acceptable Shared Facilities Agreement.</p>	<p>PG&amp;E – Supports</p> <p>SCE – Supports with qualifications. Agrees that behind-the-meter expansions are not eligible for separate ownership; and ISO should reaffirm that behind-the-meter capacity additions for existing projects can only be done through the behind-the-meter expansion process, and not through the material modification assessment process.</p> <p>Six Cities – Does not oppose.</p>	<p>CPUC – Supports contingent upon fuller justification (or else removal) of the restriction that behind-the-meter expansions cannot under any circumstances seek increased resource adequacy deliverability under the annual full capacity deliverability study process.</p>	<p>Management appreciates stakeholders’ support for its proposal to improve the independent study process and to clarify the behind-the-meter process.</p> <p>Management believes that the proposal appropriately addresses the clarifications that were originally in scope for the independent study process behind-the-meter process.</p> <p>Related to IEP’s comments on NQC, the behind-the-meter process was designed for quick additions of limited amounts of supplemental generation behind-the-meter of an existing facility without studying the expansion for issues related to reliability and deliverability. To count behind-the-meter’s added capacity for an NQC increase, a comprehensive reliability and deliverability study is needed, which is no different than what the standard independent study process or cluster study does for any new project. The behind-the-meter was not intended to be a means to bypass the established study requirements for reliability and deliverability.</p> <p>Related to IEP’s and LSA’s comments on using the material modification assessment within the behind-the-meter process, the tariff states that “The behind-the-meter capacity expansion shall not take place until after the original Generating Facility has achieved Commercial Operation.” Therefore, the material modification assessment process, designed for customers that are still in the project scoping stage, is not appropriate for expanding existing projects, and SCE’s comments further support this.</p> <p>The significant interest expressed by some stakeholders about behind-the-meter expansion late in this stakeholder process is likely being raised in light of CPUC energy storage procurement mandates. The ISO has committed to accept requests for project modifications for “bolt-on” energy storage modifications to active projects in the ISO interconnection queue and make a determination for materiality on a case-by-case basis. Stakeholders that desire to discuss the material modification assessment process further can do so in the energy storage interconnection stakeholder initiative that the ISO has recently opened.</p> <p>In response to LSA’s comments regarding different ownership of behind-</p>

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	<p>Additionally, LSA states that it is not clear why a behind-the-meter expansion should preclude different ownership from the original project.</p>			<p>the-meter expansion from the original project, the ISO has revised its position and now proposes to allow for separate ownership of the original project and the expansion component of a generating facility and is willing to perform the settlement function in these cases in an aggregated fashion as if the project has a single owner. The owners of the different components of the generating equipment that exist behind-the-meter could disaggregate the ISO settlement amounts as they see fit.</p> <p>While SCE's comments do not support this revision, the ISO believes that this proposed revision is an appropriate compromise on the issue.</p> <p>Regarding the CPUC's comment for fuller justification (or removal) of the restriction that behind-the-meter expansions cannot seek increased resource adequacy deliverability under the annual full capacity deliverability study process, behind-the-meter expansions do not go through a comprehensive reliability assessment as other energy only projects do, which is a requirement for projects applying for the annual full capacity deliverability process. No studies are performed in the annual full capacity deliverability process as the process only allocates existing deliverability capacity if it is available.</p>
<p>Management is proposing improvements to the fast track process and proposing process revisions related to FERC Order No. 792 compliance requirements.</p>	<p>IEP and LSA – no comment.</p>	<p>PG&amp;E and SCE – Support.</p> <p>Six Cities – Does not oppose.</p>	<p>CPUC – Support.</p>	<p>Management appreciates stakeholders' comments on, and support for, its proposal to improve the fast track process.</p>