

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Revised Straw Proposal that was posted on May 11, 2015 and as supplemented by the presentation and discussion during the May 18, 2015 stakeholder meeting.

Submit comments to [initiativeComments@caiso.com](mailto:initiativeComments@caiso.com)

[Comments are due June 1, 2015 by 5:00pm](#)

The Revised Straw Proposal posted on May 11, 2015 may be found at:

[http://www.caiso.com/Documents/RevisedStrawProposal\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/RevisedStrawProposal_InterconnectionProcessEnhancements2015.pdf)

The presentation discussed during the May 18, 2015 stakeholder meeting may be found at:

[http://www.caiso.com/Documents/Agenda-Presentation\\_InterconnectionProcessEnhancements2015.pdf](http://www.caiso.com/Documents/Agenda-Presentation_InterconnectionProcessEnhancements2015.pdf)

For each topic that was modified in the Revised Straw Proposal please select one of the following options to indicate your organization’s overall level of support for the CAISO’s proposal:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

### **Topic 1 – Affected Systems**

DLA supports the ISO's overall efforts to greater coordinate with Affected System, but notes, that to great extent, neighboring balancing systems are akin to "independent nation states" that operate in a "confederated" world. This is reflected in the standardized Order 2003 tariff language, which uses words like "coordinate" and "cooperate." To the extent that influence can be asserted over a neighboring balancing authority to carry out its affected systems obligations, the available tools are generally NERC/WECC reliability standards and open access obligations arising out of reciprocity and regional planning. In all likelihood, this means that the ISO's best approach is to integrate the critical time input needs from the affected systems into timeframes and processes related to transmission-related activities such as the path rating example referenced in the issue paper. Unfortunately, this effort is longer-term, but greater opportunities present themselves as neighboring balancing authorities join EIM.

In this initiative, the ISO has framed its approach as outlining what it will do if affected systems fail to timely identify themselves. (revised straw proposal at p. 10.) The proposed tariff language states that if the affected system does not identify itself within a 60 day time frame, the ISO will assume that the system is not an affected system. DLA is unsure whether this language accurately tracks interconnection study practice. In many past studies, the ISO has itself identified neighboring systems as either affected systems or potentially affected systems. In such cases, studies have often included ISO's own survey of impact on that system (though "not as deep" as the affected system itself might do), or the ISO has made certain impact study assumptions expressly stated in the study report. Neither of these actions is consistent with the proposed tariff statement that "the CAISO will assume that the system is not an Affected System." (proposed addition to Section 3.7)

Affected system concerns typically present themselves in three forms. The affective system: 1) is "radio silent" (takes no action); 2) does not act within timeframes that are meaningful to the ISO or interconnection customer; or 3) presents costs and/or mitigation measures that the customer asserts do not reasonably represent the true costs attributable to any system impact. In practicality, the ISO's proposed addition to Section 3.7 only addresses the first circumstance, and not fully accurately as described above (when the ISO effectively does its own, limited affected system analysis). As DLA reads the language, it does not address the second two scenarios. On the May 18 stakeholder call, it was suggested that the ISO might apply the language in the second situation, where the affected system acts untimely. For example, if the

affected system presented itself beyond the 60 day timeframe, the ISO would reply that the system “was out of luck.” DLA submits that this approach could be problematic for the interconnection customer. For example, this could expose the interconnection customer to litigation risk, if the affected system protested the GIA at FERC when the GIA was filed through either a formal filing or listing on the electronic quarterly report (EQR).

### **Topic 2 – Time-In-Queue Limitations**

DLA supports the ISO’s proposal, but with qualifications. The ISO’s new provisions attempt to provide further criteria around the 7 year/10 year COD extension thresholds, which are generally expressed in the following tariff section from Appendix DD:

#### **3.5.1.4 Proposed Commercial Operation Date**

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period

On the May 18 conference call, in response to a question from LSA, the ISO noted that the proposed viability criteria would be applied even if the COD extension date were prompted by a delay in the proposed completion date for construction of the network upgrades. While the ISO may have legitimate reasons for this approach, the ISO should acknowledge that the position taken on the May 18 call is a departure from past ISO business practice, wherein customer CODs were essentially automatically extended for the time period corresponding to the delay in NU construction.

### **Topic 3– Negotiation of Generator Interconnection Agreements**

DLA supports the ISO’s proposed changes, with reservations. Specifically, DLA requests that the ISO consider addressing the situation in the proposed approach which DLA identified and the ISO confirmed on the May 18 conference call.

If the Interconnection Customer requests termination of the negotiations, but, within one hundred twenty (120) calendar days after the draft GIA was tendered pursuant to Section 13.1 issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5 within seven (7) calendar days, it shall be deemed to have withdrawn its Interconnection Request. If the CAISO or the Participating TO declares an impasse, that party will file the GIA unexecuted with FERC. Neither the CAISO nor the Participating TO may declare an impasse before one hundred twenty (120) calendar days after the draft GIA was tendered. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 within one hundred twenty (120) calendar days

after issuance of the draft GIA final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request.

The proposed language creates a dilemma where the interconnection customer is disadvantaged by declaring an impasse versus simply going silent and leaving it to the ISO or PTO to do so. If the customer declares an impasse, it must seek FERC filing or initiate dispute resolution within 7 business days. Under the proposal as structured, it is better for the customer to do nothing and wait for action by the ISO or PTO. Once the counter party acts, then the customer may request filing or ADR. The proposal should not be structured so that the customer prejudices itself by taking the first action. An alternative may be to provide the customer more than 7 business days to initiate filing/ADR.

Additionally, on the conference call the ISO indicated it may follow a business practice where an impasse could be declared on one term of the GIA while the parties continued to negotiate on the remaining terms, and the fact of the impasse on the one term would still trigger the “file or ADR” deadline. In the proposal, the ISO should clarify its practice and/or intent in this regard.

#### **Topic 5 - Stand-Alone Network Upgrades and Self-Build Option**

DLA supports the provision, but requests that the ISO add an additional point, to address an issue which has arisen in past customer-PTO negotiations on SANU. In at least one prior case, the question arose as to whether there was any interrelation between customer funding of SANU and the cost cap. Specifically, if the customer built the SANU at a cost that was higher than the PTO’s original cost estimate for that item, and FERC approved those costs as prudent, would the “headroom” (between the original cost estimate and the approved construction charge) be applied to the cost cap—thus lowering the customer’s maximum cost responsibility for the remainder of the network upgrades? DLA recommends that the ISO take the opportunity to clarify that customer election to build the SANU shall have no bearing on the cost cap (maximum cost responsibility).

#### **Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process**

DLA supports the ISO’s proposed change in Topic 10.

#### **Topic 11 –TP Deliverability Option B Clarifications**

DLA supports the ISO proposal that Option B customers be able to choose energy only, rather than being forced to withdraw, if they are not allocated ADNUs. On the May 18 call, LSA suggested that Option B customers also be provided the option to park. DLA notes that, were

this to become the case, there would effectively be no distinction between Option A and Option B customers.