

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
Balduin Hesse ( <a href="mailto:bhesse@frontier-renewables.com">bhesse@frontier-renewables.com</a> ) Tom Fitzgerald ( <a href="mailto:tfitzgerald@frontier-renewables.com">tfitzgerald@frontier-renewables.com</a> )	Frontier Renewables (Frontier)	February 28 <sup>th</sup> , 2014

Please use this template to provide your comments on the Interconnection Process Enhancements (IPE) Revised Straw Proposal for Topics 4, 5, and 13 posted on February 5 and as supplemented by the presentation and discussion during the February 13 stakeholder meeting.

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

**Comments are due February 28, 2014 by 5:00pm**

The Revised Straw Proposal for Topics 4, 5, and 13 posted on February 5 may be found at:  
[http://www.caiso.com/Documents/RevisedStrawProposal\\_Topics4-5-13\\_InterconnectionProcessEnhancements\\_020514.pdf](http://www.caiso.com/Documents/RevisedStrawProposal_Topics4-5-13_InterconnectionProcessEnhancements_020514.pdf)

The presentation discussed during the February 13 stakeholder meeting may be found at:  
[http://www.caiso.com/Documents/Agenda\\_Presentation-InterconnectionProcessEnhancements-RevisedStrawProposal-Topics4-5-13.pdf](http://www.caiso.com/Documents/Agenda_Presentation-InterconnectionProcessEnhancements-RevisedStrawProposal-Topics4-5-13.pdf)

Please provide your comments on the ISO's proposal for each of the topics listed below.

### **Topic 4 – Improve Independent Study Process**

Please comment on the ISO's proposed enhancements to improve the independent study process in each of the following four areas:

- **Criteria for ISP eligibility.**
- **Process and timeline enhancements.**
- **Tests for electrical independence.**
- **Clarification on behind-the-meter (“BTM”) expansion and its impact on net qualifying capacity “NQC”).**

**Comments:**

Frontier's comments on this issue are limited to the last topic listed above - Clarification on BTM expansion and its impact on NQC. Frontier's comments cover three elements of the CAISO's BTM proposals – deliverability of the original facility, deliverability of the BTM capacity, and (of greatest concern) the ability to submit BTM addition requests through a Material Modification Assessment (MMA) request.

Frontier is considering addition of BTM capacity to one or more of its generation projects under development. Frontier has conducted extensive analysis of the potential for such capacity additions and met with CAISO executive management on November 26, 2013 to discuss this specific topic.

The CAISO representatives were very positive about the possibility of Frontier making this modification, and the discussion about the process for doing so was quite constructive. Frontier has been looking forward to working with the CAISO further and wants to ensure that the CAISO's implementation rules support such capacity additions, and are not modified to impede them.

**Deliverability of existing facility**

Frontier is very pleased to see that the CAISO has decided that the original project can retain its deliverability status after a BTM capacity addition, with the additional CAISO requirement that the BTM capacity be separately metered and have a separate Resource ID (i.e., be separately scheduled and settled).

However, Frontier has several concerns about this approach.

Frontier does not understand why production from the BTM capacity cannot be used to increase the NQC of the original project, as long as the original Pmax is not exceeded and the NQC is limited to the level that the original project was studied for. For example, if a project owner made an investment to increase the efficiency of the existing equipment such that the project's production increased in the hours when QC is calculated, the resulting higher NQC would apply (again, up to the level that the original project was studied for).

The fact that the additional project output in those hours comes from, e.g., energy previously produced by the project and stored using equipment installed under BTM provisions would not change the CAISO's ability to depend on the project overall to support load for Resource Adequacy purposes. If the tariff language for BTM additions does not support this concept, then the CAISO should request amendments that would.

This NQC enhancement should be available regardless of whether the BTM capacity is separately metered or not. If the project is separately metered, the CAISO can total the output of the two meters for purposes of calculating the overall QC. The CAISO should not care which part of the project is providing the energy during the applicable hours.

Finally, consistent with this position, Frontier believes that separate metering of the BTM capacity should be an option and not a requirement.

### MMA requests

Frontier is surprised by the Straw Proposal statement, and stakeholder conference call discussion, regarding the ability of developers to request BTM capacity additions through the MMA process, with submission of a separate Interconnection Request (IR) and use of the ISP required only if there are any indications that a Network Upgrade (NU) of some kind might be needed. Frontier is concerned for the following reasons:

- Frontier was aware of the CAISO's statements in the GIP-2 process that BTM capacity additions could be proposed through the MMA process, and it sought and received explicit confirmation at the meeting with CAISO executive management referenced above.
- During the meeting discussed above, the CAISO stated that the MMA process could be used for the contemplated BTM addition; in fact, the CAISO provided specific guidance for the contents of the MMA request, i.e., that the request should include details about the equipment, PSLF model, and protection schemes to limit Pmax to the studied output level.

Frontier asks the CAISO to confirm our understanding of the process. If any concerns are identified during the MMA analysis, the request would be determined to be potentially material, and it can then proceed through the regular interconnection-study process. This would allow projects with straightforward, no impact BTM additions to proceed through the MMA process rather than the costly and lengthy Independent Study Process.

If the ISP process is made a blanket requirement for BTM additions, which would both strengthen and stabilize the CAISO controlled grid as more renewable generators come online to meet state-mandated targets, that would severely discourage developers from pursuing them. In addition to the cost and time requirements generally, for practical purposes the requirement for a new IR (even if processed through the ISP) would jeopardize a project's ability to capture the Federal Investment Tax Credit that minimizes the cost burden to ratepayers.

### Topic 5 – Improve Fast Track

**Note:** The ISO's revised straw proposal consists of two parts: (1) revisions to the fast track screens, processing fees, and the supplemental review timeline; and (2) compliance with FERC Order 792.

#### Comments:

Frontier has no comments on this issue at this time.

### Topic 13 – Clarify timing of transmission cost reimbursement

**Note:** Based on stakeholder feedback, the ISO is offering two alternative straw proposals for stakeholder consideration and requests stakeholders to comment on the pros and cons and their preferences relative to each option.

Please comment on Option A.

Please comment on Option B.

#### Comments:

Frontier has no comments on this issue at this time.