



December 4, 2012

Submitted by email to the CAISO at MarketDesign@caiso.com

RE: LSA comments on updated draft 2012 Stakeholder Initiatives Catalog

The Large-scale Solar Association (LSA) hereby submits these comments on the latest version of the draft 2012 Stakeholder Initiatives Catalog (Catalog). The Catalog lists and describes ongoing and potential CAISO market design and infrastructure/planning enhancements.

LSA's remarks are very brief, addressing just three issues in the Catalog.

First, LSA ranked the Generator Interconnection Process, Phase 3 (GIP-3) the highest of all the discretionary initiatives listed. LSA understands that, although GIP-3 was not one of the top 5 initiatives in the latest Catalog, the CAISO nevertheless intends to pursue it in 2013 as an infrastructure initiative. LSA supports this treatment and urges the CAISO to initiate the next GIP-3 efforts as early as possible in 2013.

Second, the Catalog does not reflect LSA's support for the Storage Generation Plant Modeling initiative. This initiative began as an improvement to modeling of pumped storage facilities; PG&E earlier urged the CAISO to expand it to consider storage generally.

LSA's comments on the last Catalog version supported PG&E's position and recommended that the CAISO include modeling of storage media in solar thermal projects. However, the Catalog fails to mention (or consider) LSA's support for PG&E's suggestion or LSA's further recommendation.

The CAISO has devoted much time and effort to addressing its potential need for more operating flexibility (and flexible resources) to manage higher variable-resource penetration. Improved storage modeling can help establish the value of such resources and promote their development.

LSA asks that the CAISO revise the Catalog (and, as appropriate, its initiative rankings) to reflect LSA's comments on this issue. More broadly, the CAISO should consider other ways to improve operating flexibility, like straightforward revisions to reserve-margin targets or counting conventions to attract the needed flexibility. This and other CAISO integration efforts should coordinate with the pending California Public Utilities Commission (CPUC) proceeding in support of Assembly Bill 2514 (R.10-12-007).

Finally, LSA offers comments on a new initiative in the Catalog – Deliverability Network Upgrade Planning Criteria. Suggested by the Bay Area Municipal Transmission Group (BAMx), this initiative would re-examine the current CAISO Deliverability Assessment methodology.

LSA strongly supports this suggested initiative. The CAISO, Load-Serving Entities (LSEs), LSE regulators, generator developers, and other stakeholders should have a thorough discussion about costs and benefits of different potential deliverability criteria. For example, the current criteria often trigger very expensive upgrades to mitigate 1-2% overloads with an extremely low probability of occurrence, and the methodology and results are not at all transparent. If the CAISO does not rank this initiative as one of the top 5, it should be included with other urgent interconnection-related issues in GIP-3.

LSA appreciates the opportunity to comment on the updated Catalog and looks forward to seeing its input reflected in the final version.