Stakeholder Comments Template

Submitted by	Company	Date Submitted
Kanya Dorland Kanya.Dorland@cpuc.ca.gov	Public Advocates Office	January 11, 2019

Please use this template to provide your written comments on the 2018 IPE stakeholder initiative **Addendum #2 to the Draft Final Proposal** posted on December 21, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due January 11, 2019 by 5:00pm

The Addendum #2 to the draft final proposal posted on December 21, 2018 and the presentation discussed during the January 3, 2019 stakeholder meeting can be found on the CAISO webpage at the following link: http://www.caiso.com/informed/Pages/StakeholderProcesses/InterconnectionProcessEnhancements.aspx

Please use this template to provide your written comments on the Issue Paper topics listed below and any additional comments you wish to provide. The numbering is based on the sections in the Issue Paper for convenience.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

At this time, the Public Advocates Office has no comments on this aspect of the 2018 Interconnection Process Enhancement proposal.

10. Additional Comments

The Public Advocates Office has one recommendation for the 2018 Interconnection Process Enhancement Proposal.

1. Maintain the Generator Interconnection Agreement Requirement for Transmission Plan Deliverability Allocation Retention

The Public Advocates Office agrees with the existing provisions regarding retaining Transmission Plan (TP) deliverability status during the interconnection process. Under section 6.2.9.5 of the current version of the Generator Interconnection and Deliverability Allocation Procedures Business Practice Manual, interconnection customers must execute a Generator Interconnection Agreement (GIA) within one year of receiving (TP) deliverability[1] allocation.[2]

The first addendum to the CAISO's draft final proposal of the 2018 Interconnection Process Enhancements (first addendum to the 2018 IPE) posted November 13, 2018 reaffirmed this requirement, stating that "projects that receive a transmission plan deliverability allocation must execute a GIA to retain the allocation."[3]

In the second addendum to the draft proposal of the 2018 Interconnection Process Enhancements (second addendum to the 2018 IPE) posted on December 21 2018, the CAISO proposes to remove the requirement that interconnection customers must execute a GIA to retain their TP

[1] *CAISO Business Practice Manual for Generator Interconnection and Deliverability Allocation Procedures (GIDAP) BPM*, version 15.0, October 24, 2018, p 13. "TP Deliverability" shall mean the capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the CAISO Controlled Grid."

[2] *CAISO Business Practice Manual for Generator Interconnection and Deliverability Allocation Procedures (GID*AP) BPM, version 15.0, October 24, 2018, pp. 103-104. section 6.2.9.5. Criteria for Retaining TP Deliverability Allocation.

[3] *Interconnection Process Enhancements Addendum to Draft Final Proposal, November 13, 2018*, CAISO, (First Addendum to IPE), p. 11.

deliverability allocation.[4] While this proposal offers a compromise solution that addresses concerns regarding executing a GIA too early in the development process, it risks creating another problem on the timely reallocation of TP deliverability in the event a generation project fails to continue to make progress towards commercial operation. While the proposal would remove the requirement to execute a GIA to retain TP deliverability allocation, it is silent as to what measures would be used as a replacement to ensure system deliverability is reallocated in a timely fashion. As explained in our prior comments submitted on the 2018 IPE Issue Paper posted on January 17, 2018,

> given the amount of renewable generation in the CAISO queue, it is not necessary to continue to consider a project for Full Capacity Deliverability Status (FCDS) at the expense of later queued projects that could potentially achieve the state's RPS [Renewable Portfolio Standards] targets or meet CAISO grid needs at a lower cost.[5]

The interconnection queue as of January 9, 2019 includes 287 projects, of which 247 projects have FCDS. The total queue has a megawatt (MW) value of 57,268, including approximately 52,211 MWs from FCDS projects. Solar photovoltaic projects comprise 24,321 MW of the capacity from FCDS projects. The California Energy Commission estimated that less than 15,000 MW are needed to meet the prior state RPS target of 50% renewable energy by 2030.[6] Even with a higher RPS target of 60% renewable energy by 2030 mandated through the passage of 2018 Senate Bill No. 100,[7] the existing interconnection queue still appears to have more capacity than is needed to meet the state's RPS targets. Therefore, the Public Advocates Office reiterates that projects that receive a TP deliverability allocation should continue to be required to execute a GIA within one year of receiving TP deliverability allocation to retain this deliverability allocation. If not, at a minimum, the CAISO should develop a procedure to allocate TP deliverability to the most commercially viable projects as efficiently as possible.

[4] *Interconnection Process Enhancements Addendum #2 to Draft Final Proposal,* CAISO, December 21, 2018, (Second Addendum to IPE), p. 11.

[5] *Public Advocates Office comments submitted on the CAISO's 2018 Interconnection Process Enhancements January 17, 2018 Issue Paper*, February 7, 2018, p. 3.

[6] Renewable Energy Transmission Initiative 2.0*, Final Plenary Report*, California Energy Commission, February 23, 2017, p. 4.

[7] Senate Bill No. 100: California Renewable Portfolio standard program: emissions of greenhouse gases, section 3, 399.15(b)(2)(B).

This requirement will enhance the efficiency of the interconnection process, reduce ratepayers' costs,[8][9][10] and assist with achieving the state's RPS targets by the mandated deadlines.

Please contact Kanya Dorland at kanya.dorland@cpuc.ca.gov or 415-703-1374, if you have any questions regarding these comments.

[8] As the Public Advocates stated in its August 11, 2017 comments on the 2017 Expedited GIDAP [Generator Interconnection and Deliverability Allocation Procedures] Enhancements Straw Proposal, the conversion from FCDS to Energy Only Deliverability Status (EODS) is a reasonable outcome and is preferred for ratepayers since EODS projects are considered equally as effective as FCDS resources in meeting California's RPS targets and are more cost effective for ratepayers.

[9] *Expedited Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and Enhancements Draft Issue Paper and Straw Proposal,* July 24, 2017, CASIO, pp. 9-10 ("It remains to be determined whether additional transmission capacity should be built to make the additional renewable capacity needed to make 50% deliverable, which impacts whether incremental renewable capacity should be procured as FCDS or Energy Only.").

[10] For energy only deliverability status projects, delivery network upgrades are not required to enable energy delivery under peak or constrained conditions, specifically Local Delivery Network Upgrades and Area Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of Phase II Interconnection Studies are not required. *Generator Interconnection and Deliverability Allocation Procedures (GIDAP)*, March 8, 2016, CAISO Tariff Appendix DD, 8.4 Cost Responsibility for Local Delivery Network Upgrades and 8.4.1 Cost Responsibility for Area Delivery Network Upgrades, p. 61. http://www.caiso.com/Documents/AppendixDD_GeneratorInterconnectionAndDeliverabiltyAllocationProcess_asof_Mar8_2016.pdf