

## Stakeholder Comments of the Pacific Gas and Electric Company

Submitted by	Company	Date Submitted
Justin Bieber jtby@pge.com; (415) 973-7205	Pacific Gas and Electric Company	June 1, 2015
John Newton jans@pge.com; (415) 973-1609		

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

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.

PG&E appreciates the opportunity to comment on the CAISO's Revised Straw Proposal dated May 11, 2015. PG&E generally supports the CAISO's proposed revisions to the Straw Proposal. Recognizing the limited scope of this interconnection process enhancements initiative, PG&E hopes that the CAISO in the future will be able to devote resources to address other needed improvements outlined in these and earlier comments.

### Topic 1 – Affected Systems

PG&E appreciates and supports the CAISO's revision to the straw proposal which provides for a notice period of sixty days for a potentially affected system to identify itself as an affected system. While having a longer period for potentially affected systems to conduct study evaluations would do more to ameliorate the burden of completing their evaluations swiftly, this increase is expected to help potentially affected systems respond by the deadline.

PG&E reiterates its earlier support of the CAISO's efforts to incorporate affected systems in the interconnection process. PG&E remains concerned that the effectiveness of the obligations on affected systems will be limited without enforceable agreements between the CAISO and affected systems. The application of the CAISO's proposal may produce uncertain obligations

for mitigations where there is not clear regulatory authority to ensure all parties are playing by the same rules.

Improvements deriving from this latest Interconnection Process Enhancements initiative effort to the interconnection process are helpful and needed. PG&E is encouraged by the CAISO's willingness "to continue to look for ways to improve the affected system process over time" such as developing a "more coordinated process with a clear definition of roles and responsibilities, including reciprocity agreements" between the CAISO and affected systems.<sup>1</sup>

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

PG&E supports the revised proposal and the limited nature of the change to the CAISO's earlier straw proposal. The revised proposal to allow "a limited exception to the 7/10 year commercial viability criteria only for recent and future projects (cluster 7 and beyond) whose Phase II study results require a Network Upgrade with a timeline beyond the 7 year threshold" is reasonable. So long as the exception remains limited, such as by being available "only ... for COD modifications made within six (6) months of the CAISO's publishing the Phase II results" and that exclude "report addendums and revisions to the Phase II study that are required as an outcome of a customer-initiated modification to its Interconnection Request[,]” PG&E supports the revised proposal. PG&E emphasizes that effective queue management is needed to ensure that non-viable projects that fail to meet all contractual obligations should not be allowed to remain in the queue past the 7/10 year timeline.

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

PG&E supports the revised proposal that allows the GIA tendering to be delayed as long as it does not delay the interconnection or associated project schedules and the ability of any party to request an earlier tendering of the GIA. PG&E also supports the clarifications around an impasse in GIA negotiations.

### **Topic 4 – Deposits**

#### ***Interconnection Request Study Deposits***

PG&E supports the revised proposal with qualification. PG&E supports raising the deposit for both small and large generators in so far as the increased amount will meet the actual costs of performing the studies. In the revised straw proposal, the CAISO suggests that the recent examples of study costs exceeding \$150,000 is due to an initial learning curve for new deliverability and reassessment processes that had temporarily caused study costs to reach \$250,000 in some cases.<sup>2</sup> PG&E understands the CAISO's reasoning that study deposits should be set at the level of routine study costs and supports the revised proposal on this basis. However, if in the future actual study costs are found to routinely exceed the deposit amount, the CAISO should raise the deposit amount to match routine cost levels.

---

<sup>1</sup> See Interconnection Process Enhancements (IPE) 2015, Revised Straw Proposal, p. 10.

<sup>2</sup> See *id.*, p. 22.

***Limited Operation Study Deposit***

PG&E supports the revised proposal.

***Modification Deposits***

PG&E supports the revised proposal.

***Repowering Deposits***

PG&E supports the revised proposal.

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

PG&E supports the revised proposal with qualification. Requiring that an interconnection financial security posting be maintained for all network upgrades through the second posting requirement is an excellent first step towards preventing a practice where generators have an option to reduce their financial liability by remaining in the queue longer. However, the current proposal still somewhat reduces the ability to maintain effective queue management because it provides a path for non-viable projects to remain in the queue and reduce financial impacts at a later time. This can have deleterious impacts on other generators in the queue. Therefore, PG&E would still strongly prefer that the financial security posting never be reduced below the first financial security posting amount, thereby removing the path for gaming the interconnection process for stand-alone network upgrades and generator elections to self-build as described in earlier comments.

**Topic 6 – Allowable Modifications Between Phase I and Phase II Study Results**

PG&E supports the revised proposal. The standardized terminology across the various interconnection documents are expected to lighten the administrative burden of compliance for all participants in the interconnection process. PG&E notes that modification requests which are not submitted within 10 business days following the Phase 1 Study results meeting can still be evaluated later, though such modifications cannot be allowed to delay the Phase 2 process and the cluster overall.

**Topic 7 – Conditions for Issuance of Study Reports**

PG&E supports the revised proposal, and appreciates the CAISO's clarifications addressing our earlier comments. PG&E appreciates the CAISO's recognition that the annual reassessment allows for updates of reliability network upgrades and that these updates are provided for in section 7.4.2 of Appendix DD.

**Topic 8 – Generator Interconnection Agreement Insurance**

PG&E supports the revised proposal.

**Topic 9 – Interconnection Financial Security**

***Process Clarifications***

PG&E supports the revised proposal.

***Posting Clarification***

PG&E supports the revised proposal.

***TP Deliverability Affidavits Impacts***

PG&E supports the revised proposal.

**Topic 10 – Forfeiture of Funds for Withdrawal During Downsizing Process**

PG&E fully supports the CAISO's revision to the straw proposal.

The revised tariff language makes clear that the interconnection financial security posting is based on the megawatt size of a generation project prior to any downsizing of the project—not based on the size of a generation project after it has been downsized and at time of withdrawal. This clarification will prevent possible manipulation of the interconnection downsizing process to remove financial security amounts that might properly be subject to forfeiture due to incurred costs and financial burdens spread onto other queue members.

As similarly noted in our comments for Topic 5, PG&E supports the revision to the straw proposal for this topic as a means of preventing non-viable projects from harming the interconnection process by remaining in the queue and will enable better, more effective queue management going forward.

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

PG&E supports the revised proposal.