

# Stakeholder Comments Template

## Subject: Generation Interconnection Procedures Phase 2 (“GIP 2”)

Submitted by	Company	Date Submitted
Leslie Padilla <a href="mailto:lpadilla@semprageneration.com">lpadilla@semprageneration.com</a> (619) 696-4425 (work) (619) 987-6570 (cell)	Sempra Generation (SGEN)	March 10, 2010

This template was created to help stakeholders structure their written comments on topics detailed in the February 24, 2011 *Issue Paper for Generation Interconnection Procedures 2 (GIP-2) Proposal* (at <http://www.caiso.com/2b21/2b21a4fe115e0.html>). We ask that you please submit your comments in MS Word to [GIP2@caiso.com](mailto:GIP2@caiso.com) no later than the close of business on March 10, 2011. For the 21 topics listed below, we ask that you rank each with a score of 0, 1, 2, or 3 in the space indicated (a more detailed description of each topic is contained in the *Issue Paper* at the link, above).

- 3: For topics that are high priority and urgent.
- 2: For topics that are high priority but not urgent.  
(i.e., topic could wait until a subsequent GIP stakeholder initiative).
- 1: For topics that have low priority.
- 0: For topics in which “the ISO need not bother.”

Stakeholders need not rank or comment on every topic but are encouraged to do so where they have an opinion. The ISO will assume that a stakeholder has “no opinion” on issues for which no rank is provided.

Your comments on any these issues are welcome and will assist the ISO in the development of a Straw Proposal. Your comments will be most useful if you provide the reasons and the business case for your preferred approaches to these topics.

**Comments on Items listed in GIP 2 Issue Paper:**

1. Develop procedures and tariff provisions for cost-benefit assessment of network upgrades.

Rank 0-3:

**3**

Comments:

**First and foremost, a cost-benefit assessment that ultimately assigns network upgrade costs to the IC must be a process that is transparent and clearly understood by stakeholders in order to be successfully implemented. Important issues such as how a project's cost/benefit assessment could be impacted or changed by variations in the interconnection or transmission planning process (e.g., projects dropping out of the queue, changes to timing or sizing of PTO funded network upgrades) need to be addressed in order to develop an acceptable policy to stakeholders.**

**SGEN believes that the cost-benefit assessment should only be a prospective process. Projects studied under current tariff terms should be grandfathered. The grandfathering needs to also include the EO projects that were given a one-time opportunity to be reassessed for Full Capacity (FC) in the GIP1 tariff revisions accepted by FERC in December 2010. If not, it would completely undo the original intent of GIP 1.**

2. Clarify Interconnection Customer (IC) cost and credit requirements when GIP network upgrades are modified in the transmission planning process (per the new RTPP provisions)

Rank 0-3:

**3**

Comments:

**No additional comments**

3. Provide additional transparency regarding Participating Transmission Owner (PTO) transmission cost estimation procedures and per-unit upgrade cost estimates;

Rank 0-3:

**3**

Comments:

**No additional comments**

4. Clarify applicability of GIP for a generator connecting to a non-PTO that is inside the ISO Balancing Area Authority (BAA) and wants to have full capacity deliverability status.

Rank 0-3:

**2**

Comments:

**No additional comments**

5. Explore potential modifications to the triggers that establish the deadlines for IC financial security postings.

Rank 0-3:

**3**

Comments:

**No additional comments**

6. Clarify definitions of start of construction and other transmission construction phases, and specify posting requirements at each milestone.

Rank 0-3:

**3**

Comments:

**No additional comments**

7. Clarify ISO information provision to assist ICs.

Rank 0-3:

**2**

Comments:

**No additional comments**

8. Consider partial capacity as an interconnection deliverability status option.

Rank 0-3:

**3**

Comments:

**SGEN believes that the IC should be able to make a choice for partial deliverability using study results from the Phase I study as proposed in Option 2. However, it is imperative that Phase I studies include a clear breakdown of partial deliverability levels to corresponding network upgrade costs so the IC can make an informed decision.**

9. Develop pro forma partial termination provisions to allow an IC to structure its generation project in a sequence of phases.

Rank 0-3:

**3**

Comments:

- 1) With mainly renewable generation in the interconnection queue, the current tariff provision that terminates the LGIA if the IC does not place into operation the full MW capacity of its facility (as described in the Phase 2 study process) is completely out-of-sync with renewable technologies such as PV solar. For example, an initial estimate of a PV solar site for the ultimate MW build-out is made for inclusion into the Interconnection Request, but the actual number of MW will depend on the selected panel manufacturer and associated factors. Selection of a panel manufacturer almost always occurs *after* the study process. Therefore, even with the CAISO proposal for projects to develop in a sequence of phases, a PV solar project meeting the “exact” number of MW stated for each phase or total project MW may need some level of flexibility and consideration if the target MW falls short providing the IC can reasonably demonstrate the reason for the change.
- 2) SGEN supports “Partial Termination” as defined (i.e., allowance of a customer to terminate later phases of a generation facility (under certain conditions)). However, SGEN disagrees that the “triggered payment” should be a fixed value (i.e., “prepaid security”) UNLESS the upgrade(s) are needed to support other cluster projects. If not, the excess funds should be reimbursed to the project.

10. Provide for partial repayment of IC funding of network upgrades upon completion and commercial operation of each phase of a phased project.

Rank 0-3:

**3**

Comments:

The current tariff that provides that the IC is not repaid until the “entire generating facility” (all phases) reach COD, is clearly out-of-sync with today’s renewable generation development. SGEN believes reimbursement for ‘PTO Interconnection Facilities’ built to support “energization” of a renewable project should occur upon COD of the first phase. Reimbursement for ‘Network Upgrades’ should occur upon COD of each phase in accordance with any or all upgrades constructed to accommodate the MW in the completed phase.

11. Applying Section 25 of the tariff to conversions of grandfathered generating units to compliance with ISO tariff.

Rank 0-3:

**3**

Comments:

**No additional comments**

12. Clarify site exclusivity requirements for projects located on federal lands.

Rank 0-3:

**3**

Comments:

**No additional comments**

13. Specify appropriate security posting requirements where the PTO elects to upfront fund network upgrades.

Rank 0-3:

**3**

Comments:

**No additional comments**

14. Revise ISO insurance requirements (downward) in the pro forma Large Generation Interconnection Agreement (LGIA) to better reflect ISO's role in and potential impacts on the three-party LGIA.

Rank 0-3:

**3**

Comments:

**No additional comments**

15. Clarify posting requirements for an IC that is already in operation and is applying only to increase its MW capacity.

Rank 0-3:

**3**

Comments:

**SGEN believes that the same security posting requirements should apply to grandfathered generating units providing the addition of MW to the plant by either an expansion or repowering requires 'Network Upgrades' to be constructed.**

16. Standardize the use of adjusted versus non-adjusted dollar amounts in LGIAs.

Rank 0-3:

**3**

Comments:

**SGEN supports a uniform approach across PTOs.**

17. Clarify how GIP applies to storage facilities and behind-the-meter expansion of existing facilities.

Rank 0-3:

**2**

Comments:

**No additional comments**

18. Conform technical requirements for small and large generators to a single standard, and develop study methodology to determine voltage impacts pursuant to FERC's 2010 order on ISO's proposed new interconnection standards.

Rank 0-3:

**3**

Comments:

**No additional comments**

19. Revisit tariff requirement for off-peak deliverability assessment.

Rank 0-3:

**3**

Comments:

**SGEN supports removal of the off-peak deliverability assessment from the GIP (requiring generators to fund network upgrades) because as stated "this requirement does not align with the original concept and purpose of deliverability".**

20. Include operational impacts in assessing generation interconnection impacts.

Rank 0-3:

**1**

Comments:

**No additional comments**

21. Revise provisions for transferring queue position to a new IC.

Rank 0-3:

**2**

Comments:

**No additional comments**

**Other Comments:**

1. Are the five workgroups and their topic areas organized properly?  
**Agree**
2. Are there other topics that you believe should be considered for the scope of GIP 2?  
**No**
3. If you have other comments, please provide them here.