

# Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative:

## **“2017 Expedited GIDAP Enhancements Straw Proposal”**

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due Wednesday, September 13, 2017 by 5:00pm**

The Issue Paper posted on July 21, 2017, the Revised Issue Paper posted on August 30, 2017, and the presentations discussed during the September 7, 2017 stakeholder meeting can be found at CAISO.com or at the following link:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/2017ExpeditedGIDAPEnhancements.aspx>

Please use this template to provide your written comments on the issue paper topics listed below and any additional comments that you wish to provide.

1. Do you support the Extended Parking straw proposal? And why?

**Comments:** [Terra Gen supports this initiative subject to providing, under limited circumstances, a project the opportunity to enter into a GIA while electing to park the project. The CAISO has concluded that procurement timing of the three major IOUs (PG&E, SCE, and SDG&E) is not in line with the TPP deliverability allocation and therefore introducing a second-year parking option will better align the interconnection process with new project development and IOU procurement. Although the proposed extended parking could lend itself to facilitating more in-state renewable generation coming on line the condition of “not tendering the GIA” will eliminate many projects that otherwise would have been able to satisfy California’s desire for in-state renewable supply.

Specifically, wind farm developments are facing the imminent phase out of the Production Tax Credit (PTC) commencing in 2020. Terra-Gen made in excess of a \$100 million commitment by purchasing wind turbines in 2016 to enable our wind projects to earn 100% of the PTC value.

Given the minimum timeline for construction of the Participating TO's Interconnection Facilities is typically no less than 24 months, wind projects cannot afford to delay the GIA execution and expect to meet the PTC phase out date. Cluster 9 interconnection requests are expecting to execute their GIAs sometime in Q3/Q4 of 2018 in order to meet the 2020 PTC phase out. However, if a project elects to park for a year, it would not be issued a GIA until Q3/Q4 2019 which would be too late for project facility upgrades to be implemented in time to meet the PTC phase-out. As the interconnection Parking Policy is being proposed, a renewable energy project would need to select Energy Only status in order to be tendered a GIA in a timely manner. This could prove disadvantageous in an IOU solicitation process. Please note that solar projects are not facing the same deadline. Investment Tax Credit (ITC) that is utilized by the solar projects have been extended until 2022. Solar projects would be able to benefit from the two years parking option without the need for GIA tendering. However, due to the PTC deadline wind farm projects will not be able to benefit from the parking option. As CAISO can appreciate, the market for renewable energy in California is very competitive and therefore projects need to qualify for PTCs to be viable.

We believe that an Extend Parking timeline can be accommodated without any negative impact to the CAISO deliverability process while still providing the developer an option to move forward with a GIA. We understand that the major reason for not tendering the GIA during the parking period is the risk associated with transferring of the network upgrades funding from the projects to the transmission owners (TOs) in case of withdrawal of the projects. This could occur if the associated network upgrades are required by projects in a subsequent cluster. However, we believe that CAISO should distinguish between projects with network upgrades required by future interconnection requests and those network upgrades that will be eliminated upon withdrawal of the projects. An example of network upgrades associated with the latter case are new switchyards or the expansion of the existing substations/switchyards that are required to interconnect the projects to the TO's grid. The new switchyard or the expansion of the existing substation would not be needed in future clusters and could be removed if the associated interconnection request is withdrawn. These types of upgrades do not transfer risk from the project to the TO and therefore there should be no issue in tendering the GIA while projects park for deliverability allocation. We are requesting the CAISO kindly consider our request and allow the tendering of the GIA, as

long as it is demonstrated that the corresponding TO carries no incremental risk, while projects park for deliverability allocation.

Lastly, the CAISO should be aware that the IOUs are not the only load serving entities (LSE) seeking new renewable supplies. There are a number of LSEs seeking new renewable supply for myriad reasons. Some to take advantage of existing federal subsidies such as PTC, some to meet the additional regulatory requirement for satisfying PCC1 needs from supplies under long term contracts, and some to increase their overall source of renewable beyond regulatory mandates. Keeping the GIA processes moving forward allows for timely development while allowing the project to be allocated Deliverability later in the process. Given the duck chart issues currently being experienced by CAISO and its participants and the desirability of a wind generation profile by emerging power purchasers, any new wind generation is beneficial to the grid and is in high demand.

2. Do you support the Interconnection Request (IR) Window & Validation Timelines Straw Proposal? And why?

**Comments:** [Terra Gen supports this initiative. Based on Clusters 9 and 10 experiences, this will significantly help the process. Terra Gen also suggests a uniform process across the three major IOUs of PG&E, SCE, and SDG&E. We provided similar supporting files in our Cluster 10 requests to the three IOUs. Some of the IOUs approved our requests quickly while others took some time to receives approvals.]