Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the 2018 IPE stakeholder initiative Revised Straw Proposal posted on July 10, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due July 31, 2018 by 5:00pm

The straw proposal posted on July 10, 2018 and the presentation discussed during the July 17, 2018 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.

4. Deliverability

4.1, 4.2, 4.3, 4.5 and 9.2 Transmission Plan Deliverability Allocation (combined topics)

a. Allocation Ranking Groups (one through seven)

SCE supports the CAISO's proposed allocation ranking groups.

b. Specific Topics:

i. Overall TPD Allocation Process

SCE supports the proposed prioritization of the Transmission Plan Deliverability (TPD) allocation based on the identified rankings. The identified ranking groups are sequenced such that the most commercially viable projects proceed expeditiously, as the ranking places a higher prioritization on projects that are in the study/parking process which have executed a PPA or are on the short-list of a RFO/RFP. From there, TPD allocation is performed in descending order relative to the commercial status (i.e. PPA) of a project. The allocation of TPD in such a manner will ensure that deliverability will be allotted to projects which are able to demonstrate the greatest degree of commercial viability. SCE agrees with the CAISO that "the proposed TPD allocation will result in TPD being allocated to only those projects which have a demonstrated business requirement." Further, the proposed allocation ranking groups will allow projects which are initially Energy Only or converted to Energy Only to participate in the TPD allocation as their commercial requirements may evolve.

ii. Elimination of Balance sheet financing terminology

SCE supports projects being able to demonstrate their commercial viability and be allocated TPD under Allocation Group 3 without having an executed or regulator-approved PPA. Such a demonstration would require the project to move forward, without delay, to execute a GIA, proceed to construction, and achieve commercial operation in a timely manner. However, it is unclear to SCE why a project that has elected to proceed without a PPA is not afforded some suspension provision under the GIA. The need to suspend can be caused by project permitting delays that are beyond the control of the interconnection customer, which can occur regardless of whether or not a project has an executed or regulator approved GIA. While a project that has elected to proceed without a PPA should not be able to use the suspension provisions for unintended COD extensions, there should be some provision for suspension for a verified permitting delay.

iii. Elimination of Annual Full Capacity Deliverability Option

SCE supports the CAISO's proposal to have Groups four, five, six, and seven in the TPD Allocation sequencing to replace the current Annual Full Capacity (AFC) deliverability option. This process will serve as an alternative to energy-only projects requesting to reenter the queue to seek TPD.

iv. Energy only projects' ability to re-enter the CAISO Queue for Full Capacity

Any proposal to allow an Energy Only project to re-enter the queue for deliverability should not allow such project to leap frog the Energy Only projects in Allocation Groups 4-7. All projects in Allocation Groups 4-7 should have priority to TPD that does not trigger new Delivery Network Upgrades before TPD can be allocated to an Energy Only project that re-enters the queue for deliverability. If an Energy Only project is allowed to re-enter the queue and be included in a cluster deliverability study, then such project, after completion of the Phase I study, must elect Option B and pay for the upgrades necessary to provide the requested deliverability or withdraw from the queue.

v. Commercial Viability Criteria (PPA Clarification)

SCE supports the proposal to eliminate the Balance Sheet Financing as an option from the Commercial Viability Criteria process, consistent with the CAISO's revised TPD allocation criteria.

4.4 Change in Deliverability Status to Energy Only

The current limitations on when a project may elect to convert to Energy Only minimize the impacts on PTOs and other queued projects. To eliminate the possibility of gaming by project owners attempting to unreasonably avert their cost responsibility, if the CAISO proceeds with allowing projects additional opportunities to convert to Energy Only at any time after the Phase II study, such projects must continue to be responsible for network upgrades still needed by other queued generators. SCE supports the CAISO proposal that projects converted to Energy Only deliverability status as a result of failure to meet commercial viability or TPD retention criteria will retain the cost responsibility for all Delivery Network Upgrades unless the annual reassessment study shows that the Delivery Network Upgrades are no longer needed for other queued projects. To allow otherwise would unreasonably transfer cost risks to the PTOs and later-queued resources.

4.6 Options to "Transfer" Deliverability

No comment.

5. Energy Storage

5.2 Replacing Entire Existing Generator Facilities with Storage

SCE supports the CAISO's proposal to require generating facilities that are retiring a portion of the project while considering the continued operation of the energy storage unit that was subsequently added to the original resource to undergo an assessment by the CAISO and PTO. If it is determined the retirement will not cause any reliability concerns, then the storage resource should be able to remain interconnected and operating with the retiring resource's deliverability transferred to the storage resource. If, on the other hand, the CAISO and PTO identify a reliability issue resulting from the retirement, then the remaining storage unit could only continue to operate with the appropriate mitigation. Otherwise, the storage unit should be required to disconnect upon retirement of the original generating facility.

6. Generator Interconnection Agreements

6.1 Suspension Notice

SCE supports the CAISO's proposed revision to Article 5.16 of the LGIA to require the Interconnection Customer to include a proposed start and a tentative end date of the suspension in its suspension request through the MMA process. Such bookend dates for the proposed suspension will help the CAISO to more accurately assess the impact on other projects. SCE is pleased the CAISO agrees with SCE that the suspension cannot go beyond the maximum time (i.e. three years) already allowed in the GIA. Also, SCE appreciates the CAISO's proposed revision to include a provision that the interconnection customer must negotiate in good faith to expeditiously revise the milestone dates at the end of the suspension period.

6.2 Affected Participating Transmission Owner

SCE supports the CAISO's proposal to modify the tariff to address how the interconnection customer's financial security postings, cost responsibility, and affected PTO repayment will be disbursed among the interconnecting and affected PTOs. SCE supports having separate cost estimates for the interconnecting PTO and any affected PTOs documented in the interconnection studies and the GIA or affected PTO's facilities agreement as appropriate, and the CAISO's revised proposal that such separate cost estimates sum to set a single maximum cost responsibility for the interconnection customer's entire project. SCE continues to believe that interconnection customers should make all (i.e., 1st, 2nd, and 3rd) interconnection financial security postings to each PTO separately as such instruments are often just amended by the interconnection customers to add the incremental amounts. Each PTO should be responsible for collecting and administering the interconnection financial security associated with its particular upgrades as identified separately in the interconnection studies. SCE continues to support a separate GIA with the interconnecting PTO, and UFA with the Affected PTO, and opposes the potential adoption of a single four-party agreement. It is more appropriate, and more manageable, to have the continued use of separate agreements so that PTOs can properly manager their respective systems and in order to properly identify the requisite terms and conditions among only the parties involved. SCE supports the CAISO's proposal to submit the UFA to the FERC seeking to make it a CAISO pro forma agreement.

6.4 Ride-through Requirements for Inverter based Generation

SCE reiterates its support for the CAISO to address voltage and frequency ride-through requirements, including the requirement to continue to inject current during system fault conditions that are cleared within a prescribed time period (i.e., cycles needed for system protection to clear faulted facilities). SCE agrees with the CAISO that tripping should be based on physical equipment limitations to protect the inverter itself. Minimum technical standards for return times following transient voltage deviations and post inverter trip return time are also appropriate to stabilize the grid following a disturbance and to not jeopardize the reliability of the network.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

SCE appreciates the CAISO being sympathetic to SCE's position that execution of a GIA does not guarantee a project will progress towards commercial operation, and such a milestone is not sufficient for the removal of potential network upgrades from later-queued projects. A more appropriate trigger for the removal of potential network upgrades would be receipt of the 3rd interconnection financial posting and the interconnection customer's written authorization to proceed with construction in accordance with milestones established in the associated GIA. This would demonstrate a stronger commitment on the project owner's behalf that the project will be developed and the associated network upgrade will actually be built. Anything less is unreasonably and prematurely transferring the up-front financing responsibility to the PTOs.

SCE appreciates both the CAISO's concurrence with SCE's position that a 100% share of plan of service RNUs in the interconnection studies should be included in the potential network upgrades and maximum cost responsibility, as well as noting this is the current practice. However, the CAISO did not specifically address the concern SCE raised in its previous comments on June 8, 2018. Confirmation is needed from the CAISO that plan of service RNUs will be treated differently versus other RNUs as pertaining to the provisions of Section 14.2.2 of the GIDAP and the backstop financing responsibility of PTOs in that Section. The PTO must not be exposed to additional financing risk just because it allowed multiple interconnection customers to share a plan of service RNU that serves no other purpose than to terminate an interconnection customer –owned generation tie line. SCE continues to believe that a shared plan of service RNU was never contemplated at the time of establishment of Section 14.2.2 of the GIDAP and is not consistent with the intended purpose of that Section. The backstop financing risk associated with the potential re-allocation of costs associated with a plan of service RNU must be appropriately placed upon those remaining IC's that, absent the sharing of the RNU, would otherwise be required to construct individual generation tie lines and solely pay for the associated plan of service RNU. IC's often request to share generation tie line facilities for financial, physical (ingress/egress into substation), and environmental permitting reasons. SCE reiterates that if PTOs are not allowed to re-allocate any remaining plan of service RNU (due to the effects of Section 14.2.2 of the GIDAP), and would then be required to backstop finance facilities that by their nature provide no network benefits, the PTO may no longer agree to allow ICs to share a plan of service RNU, which is not a desirable outcome for anyone.

7.3 Eliminate Conditions for Partial IFS Recovery Upon Withdrawal

SCE does not oppose the elimination of conditions for an interconnection customer to recover a portion of interconnection of financial security posted upon withdrawal of interconnection request or termination of GIA. If, as the CAISO indicates, "virtually all interconnection customers are able to meet a criterion", then the elimination of conditions should improve the administrative efficiency of processing such refunds.

7.5 Shared SANU and SANU Posting Criteria Issues

SCE supports the CAISO's position that all projects associated with a SANU should have 100% of the costs included in the Maximum Cost Responsibility in the same manner that contingent network upgrades are proposed.

7.7 Reliability Network Upgrade Reimbursement Cap

Although the CAISO is revising its original proposal provided in the straw proposal, SCE supports the CAISO continuing to seek a mechanism to require that project that ultimately benefits from the RNU to pay the cost component in excess of the $60,000/MW cap related to the specifics of their project. SCE prefers the adoption of Option 1 which will have 100% of any precursor RNU's cost included in a project's Maximum Cost Responsibility. To ensure ratepayers only incur costs for RNUs commensurate with the benefits they'll receive from the new generator, 100% cost allocation in each project's Maximum Cost Responsibility is needed to avoid jeopardizing ratepayers having to fund some incremental amount above the $60,000/MW RNU cost cap. An added appeal to Option 1, vis-à-vis Option 2 and Option 3, is that it provides the interconnection customer with greater cost certainty earlier in the process, in the Phase I study report

8. Interconnection Request

8.4 Project Name Publication

SCE does not oppose the CAISO's proposal to include project names in the public queue list.

9. Modifications

9.1 Timing of Technology Changes

SCE supports the CAISO's proposal to prohibit technology changes that change the fuel type (with the exception of a de minimus additive fuel type change) if a project has, or is requesting, milestones beyond the 7/10 year threshold for cluster and serial projects, respectively. SCE supports checking the commercial viability for every MMA requested by a project where the project milestones are beyond the 7/10 threshold.

10. Additional Comments