UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison (SCE) submits WDAT tariff filing	Docket No. ER11-2977 (Filed March 1, 2011)

CLEAN COALITION PROTEST TO SCE REQUEST FOR APPROVAL OF WDAT AMENDEMENT

Rob Longnecker
Tam Hunt, J.D.
Clean Coalition
16 Palm Ct
Menlo Park, CA 94025
(805) 214-6150

March 22, 2011

CLEAN COALITION PROTEST TO
SCE REQUEST FOR APPROVAL OF WDAT AMENDEMENT

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission's (the "Commission" or "FERC") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214 (2009), and the Commission's Notice of Filing dated March 1, 2011, the Clean Coalition protests the tariff filing submitted in the above-captioned docket by Southern California Edison (SCE).

The Clean Coalition is a California-based entity that advocates for feed-in tariffs, wholesale distributed generation ("WDG") and other smart renewable energy policy solutions in California, Washington D.C. and other jurisdictions around the United States. The Clean Coalition is part of Natural Capitalism Solutions, a 501(c)(3) based in Longmont, Colorado, and founded by Hunter Lovins.

We submit these comments to the Commission in an attempt to highlight the importance of streamlining interconnection for 20 megawatt and smaller renewable energy projects (wholesale distributed generation or "WDG"), per clear Commission guidance on this issue, and the fact that the SCE Wholesale Distribution Access Tariff ("WDAT") amendment proposal ("Amendment") would instead impose additional obstacles to interconnection by increasing, potentially dramatically, the timeline for interconnecting 20 megawatt and smaller projects. Moreover, the Clean Coalition fears that the supplemental interconnection procedures (Fast Track and the Independent Study Process) offered by SCE to ameliorate the impacts of eliminating the current Small Generator Interconnection Procedures represent little more than "false hopes" because they will be inapplicable to most developers.

The Commission approved similar changes for the California Independent System Operator interconnection rules for the transmission grid under the "independent entity" standard of review. In that order, 133 FERC ¶ 61,223 (December 16, 2010), the Commission also reminded the California Participating Transmission Owners (PTOs) that it would apply a far more stringent standard of review for distribution grid interconnection reforms. PG&E's proposed WDAT reforms, while far from perfect, responded to this reminder from the Commission and included a number of changes in line with stakeholder concerns. SCE has, in strong contrast, made almost no changes in line with stakeholder concerns, prompting the present protest from the Clean Coalition.

I. INTRODUCTION AND SUMMARY

SCE is seeking to eliminate its current Small Generator Interconnection Procedure ("SGIP") by combining all WDAT interconnection requests into a single process known as the Generator Interconnection Procedure (the "GIP proposal"). Under this new process, there will be no distinction between the SGIP and the Large Generator Interconnection Procedure ("LGIP"), as is currently the case, directly contravening the Commission's intent in ordering PTOs to create SGIP tariffs in Order No. 2006 to surmount interconnection hurdles for smaller generators. SCE is proposing this reform in order to address growing backlogs and to align their WDAT procedures and timelines with the new CAISO GIP procedures and timelines.

To be clear, the Clean Coalition acknowledges the merit of these goals and sees many benefits resulting from a cluster study process, including elimination of re-studies, increased interconnection cost certainty and allowing for full deliverability, as well as a reduction in workload for SCE. However, SCE's proposed reforms come at the cost of substantially extended interconnection

study timelines and this crucial fact cannot be ignored. In addition, the palliatives offered to smaller developers such as the Fast Track and the Independent Study Process (collectively, the "Accelerated Options"), have not been demonstrated by SCE to be viable and accessible to a substantial amount of smaller developers. These options must, therefore, be considered "false hopes" and of little worth to the majority of smaller developers until SCE provides far more evidence that they will in fact be viable options.

As SCE has not provided sufficient evidence that these Accelerated Options are viable and accessible, the proposed WDAT must be assessed based on its standard cluster study timeline, which is unequivocally not "consistent with or superior to" the current SGIP process, as required by clear Commission precedent. In fact, as we describe below, SCE's proposed WDAT results in an average timeline of 692 days, just for interconnection studies (let alone negotiation of an interconnection agreement and construction of any required upgrades, which will add about another year to the process). This 692 day timeline differs markedly from SCE's figure, provided in testimony, of 420 days. This remarkable difference in figures arises from SCE's assumption that every interconnection request will occur exactly at the tail end of the second cluster window as well as SCE's failure to account for the 60 days spent waiting for the Phase I study to begin after the cluster window closes. It is disingenuous for SCE to ignore these additional delays – which will average about 240 days - because the Clean Coalition has repeatedly raised concerns over these extended timelines and, specifically, the issues of time spent waiting for cluster windows and waiting for the Phase I study to begin.

The average timeline of 692 days, under SCE's proposed new interconnection procedures, compares extremely unfavorably with the current SGIP serial study timeline of 315 days (regardless of the current backlog resulting from SCE's

failure to meet the required SGIP deadlines). Unless the Commission compels SCE to make material improvements to its proposed tariff, this doubling of the interconnection timeline may force many smaller developers out of the marketplace. At the least, it will do much to set back efforts by many developers and policymakers to complete interconnection and construction of 20 megawatt and smaller renewable energy projects in an expedited manner. These types of projects are increasingly crucial to achieving California's renewable energy and climate change goals due to many recent setbacks for larger renewable energy projects – such as the Ninth Circuit's recent decision[1]striking down federally-designated transmission corridors for renewables and a lawsuit filed in 2011[2] against six larger concentrating solar thermal plants.

We understand that it seems dramatic to claim that SCE's proposed interconnection procedures will force developers out of the marketplace, but the fact is that smaller projects are fundamentally different from larger projects. While larger projects generally accept substantial interconnection costs as a given, the viability of smaller projects often rests on keeping interconnection costs low, so these costs must be known as close as possible to the beginning of the development cycle, not the end. Unfortunately, SCE's proposed WDAT does not meet these needs and the consequences of the proposed WDAT tariff will likely be far fewer smaller developers who are willing and able to enter SCE's WDAT process. In fact, we believe that the proposed SCE WDAT tariff effectively obviates the benefits of the SGIP and offers very little in return to smaller developers. SCE's proposal thereby unduly discriminates against smaller developers and violates FERC Order 890.

[1] http://tdworld.com/overhead_transmission/transmission-corridors-overturned-0211/.
[2] latimes.com/news/local/la-me-solar-suit-20110224,0,539145.story.

The Clean Coalition raised many of these same issues in the CAISO GIP reform proceeding at the Commission in late 2010. The Commission, understandably, argued that the CAISO proposal merited some deference under the "independent entity" standard of review. SCE is not an independent entity as it develops its own renewable energy projects, often in competition with the smaller developers who will be most impacted by SCE's proposed WDAT reform. In fact, SCE and its independent development arm clearly benefit if lengthy process timelines, inaccessible "Accelerated Options," and limited interconnection information more generally compels smaller independent developers to drop out of the marketplace. We have no evidence to believe that SCE is indeed pursuing WDAT reform with this objective in mind, but it is because of the potential for such conflicts of interest that the Commission imposes a far more stringent standard of view on PTOs than independent entities.

As such, the Clean Coalition believes that SCE cannot simply assume that the recently approved CAISO GIP is an acceptable baseline for its WDAT tariff and make adjustments around the margins or, worse, add further restrictions (as they are proposing), without providing substantial additional data and analysis to justify the proposed changes. Additionally, SCE appears to assume that the Commission will simply accept that its proposed "Accelerated Options" are viable and accessible and that little data, analysis or justification of these options needs to be provided to support this assertion. We hope the Commission recognizes the potential conflicts of interest with respect to the proposed reforms and compels SCE to provide substantial additional data and analysis to prove that the key goals of Order No. 2003 and No. 2006 are met:

> Interconnection is a critical component of transmission service, and having a standard interconnection procedures and a standard

> agreement applicable to Small Generating Facilities will (1) limit opportunities for transmitting utilities to favor their own generation, (2) remove unfair impediments to market entry for small generators by reducing interconnection costs and time, and (3) encourage investment in generation and transmission infrastructure, where needed.

We note that our own repeated requests for additional information and analysis throughout the WDAT reform process went generally unanswered by SCE. We note that no analysis can be made by stakeholders like the Clean Coalition without reliable data and that SCE controls the data in this matter and has generally refused to share requested data with stakeholders. In fact, it is fair to say that this stakeholder process has been data-starved and lacking in transparency, as we describe in more detail below.

Finally, and we address this issue further in our comments below, we note that SCE's proposed WDAT tariff is generally more restrictive than the CAISO GIP and substantially more restrictive than the WDAT tariff currently being proposed by PG&E. In short, SCE is a laggard in terms of interconnection reform, as the below table shows.

	SCE	PG&E	ISO
Fast Track	Up to 2MW	Up to 5 MW ("advisory limits": up to 3 MW for a 21kV interconnection, and up to 2MW on a 12kV interconnection)	Up to 5 MW
Grid Transparency	No improvement	During WDAT reform process, PG&E committed to substantially increase the information provided to developers to include specific circuit information (voltage, capacity, loading information (including peak load) and amount of distributed generation already on that circuit)	No improvement
Queue Transparency	No improvement	No improvement	Now required by FERC to incorporate an informational update on Fast

			Track and ISP as a part of CAISO's existing LGIP quarterly reports

While we understand that each utility and the CAISO have unique issues to consider, we find it instructive that both the CAISO and PG&E found it possible to create a tariff or proposed tariff that is far more accommodating to smaller developers than what SCE has proposed. We hope that the Commission views SCE's proposed WDAT tariff as substantially inferior to those of its peers and we ask that the Commission reject SCE's proposal and re-convene the stakeholder process in a manner that results in the requisite information being shared with stakeholders and a new interconnection procedure that provides the benefits of a hybrid cluster/serial process with far shorter timelines than those proposed by SCE, as well as legitimate alternatives to the cluster study process.

In summary, our recommendations are as follows. The Commission should use its authority to compel SCE to:

- Shorten the cluster study process considerably by working with independent auditors, the CAISO and other PTOs
- Improve Accelerated Options, such as Fast Track or the Independent Study Process ("ISP"), so they are viable and can be accessed by a substantial percentage of smaller developers
- Improve pre-application exchange of information, including improved "grid transparency" to provide more pre-application information to developers
- Improve queue transparency to provide more data and deadline tracking, ensuring that the process is transparent and deadlines are being met

- Agree to an independent process audit to review in detail SCE's interconnection study procedures, staffing and software. It is our hope that such a process will eventually allow two full cluster studies to be completed each year, which would allow for all of the benefits of cluster studies to be realized, with none of the downsides.

II. THE CLEAN COALITION'S PREFERRED INTERCONNECTION PROCEDURES

The Clean Coalition's preferred outcome from the current reform process would be an improved cluster study process combined with Accelerated Options such as Fast Track and the ISP that are shown to be viable and accessible to smaller developers. We would also like to see dramatically enhanced interconnection data availability ("grid transparency") and queue transparency in an effort to ensure that developers are able to submit quality, well-analyzed interconnection requests. As mentioned, PG&E has been far more responsive to stakeholder concerns and SCE's proposal would be far better if it emulated some aspects of PG&E's proposal – in particular, allowing up to 5 MW for Fast Track. However, the cluster study timeline is far too lengthy in both PG&E and SCE's proposals because they emulate the CAISO proposal that was approved by the Commission in late 2010.

As we discuss below, the substantial increases in timelines proposed by SCE means that the viability and accessibility of the Accelerated Options are of particular importance to smaller developers. We fear, however, that these options, as currently proposed by SCE, represent little more than "false hope" for most developers. In each section below, we describe the potentially fatal flaws in

each of the Accelerated Options as they are currently proposed and we also recommend potential fixes.

We suggest some ways below in which our ideal interconnection process could actually be achieved. We do not expect perfection, however. Rather, we present this brief summary of an idealized interconnection process because we feel that substantial improvements are still possible if the Commission is willing to assist through proactive measures.

a. The proposed cluster study timeline doubles the current SGIP timeline; the Commission should require that SCE conduct an independent audit to identify areas for improvement in its interconnection procedures

Prior to discussing SCE's cluster proposal in more detail, we would like to clarify the relevant interconnection study timelines being discussed in this proceeding. In written testimony SCE provided to the Commission, SCE cites a current SGIP timeline of 315 calendar days and compares this to a proposed study process that they describe as "approximately 420 calendar days."[3] Unfortunately, SCE is being disingenuous and not making an "apples to apples" comparison, as the proposed 420 day timeline requires, in order to be accurate, that an interconnection request is made on the last day of the second cluster window in each year and does not take into account the waiting time for those projects that are not submitted on March 31st. Waiting times are a necessary fact of a cluster study process because clusters occur in defined windows, as opposed to any time during the year, as is the case with serial studies. In addition, their 420-day timeline does not take into account the 60 day waiting period between the second

[3] Prepared Direct Testimony of Gary Holdsworth on Behalf of Southern California Edison (Exhibit No. SCE-1), p. 22

cluster window closing and commencement of the Phase I Study. Finally, SCE's timeline does not include the (up to) 30 days that developers have to wait up to obtain a meeting with SCE to discuss Phase II results.

In order to make an "apples to apples" comparison with the current SGIP timelines, which are serial and can therefore be started any time, all of these additional days have to be accounted for. In the real world, rather than the world of "best case timelines" presented in SCE's written testimony, a developer will likely have to wait to enter a cluster study and will be most concerned with the vital second cluster window, which is followed, 60 days later, by the beginning of the Phase I cluster study. The developers' waiting period will range from a "best case" of 60 days (for an interconnection request submitted on March 31, the Phase I study begins on June 1) to a "worst case" of 425 days (for an interconnection request submitted on April 1, the Phase I study begins June 1 of the following year), resulting in an "average wait for GIP Phase I" of 242 days (the average of 60 and 425 days), which must be added to the timelines presented by SCE in order to achieve an apples to apples comparison.

In addition, the full timeline must take into account the 30-day wait for Phase II results at the end of the Phase II study process. Including the 242-day "average wait for GIP Phase I" and the 30-day wait for the Phase II results at the end of the process, SCE's real world proposed timeline becomes 692 days (242-day "average wait for GIP Phase I" + 420 study days + 30 result waiting days), which is more than double the 315 day SGIP timeline! Again, this timeline does not include time required to negotiate an interconnection agreement or to construct required grid upgrades.

This doubling of the current SGIP timeline is the main reason why the Clean Coalition argues that SCE's proposed tariff cannot be deemed "consistent with or

superior to" the existing SGIP unless the Accelerated Options can be proved by SCE to be viable and accessible. We cannot stress enough how important this "wait for GIP Phase I" issue is in evaluating the merits of SCE's proposal.

SCE also claims that there is a substantial advantage in the "early look" provided by the cost estimates in the Phase I study, which comes roughly 6.5 months after the closing of the second cluster window in each year. Again, SCE's timeline must be adjusted for the aforementioned 242-day "average wait for GIP Phase I", resulting in a real world "wait for early look" look of 437 days (14.5 months), not the 195 days (6.5 months) referenced by SCE. It is instructive to note that even this "wait for early look" is longer than the entire existing SGIP timeline and therefore cannot be considered a "substantial advantage" of the proposed tariff, as SCE claims. (In addition, we note that this "early look" is notorious for providing extremely conservative estimates that are designed more to provide a "not to exceed" number with a huge margin of error than an accurate "early look" with real meaning to a smaller developer.)

The cluster study process would, in our preferred scenario, be completed faster than the current SGIP, both in theory and in practice. More specifically, we believe that the entire cluster study process could be reduced from 420 days to about six months with a combination of software improvements, policy changes and additional staff. With this dramatically reduced timeline, even with up to a year lag time in entering the study process, developers would be confident of completing the study process in a maximum of 1.5 years – rather than the two years or more contemplated in SCE's proposal. With two complete WDAT clusters completed annually, the proposal would unequivocally represent a major improvement over current interconnection procedures for all sizes of projects.

We have repeatedly recommended to SCE during its stakeholder process and in the prior CAISO reform process that SCE conduct an independent and comprehensive audit of its interconnection procedures to identify areas for improvement. SCE has shown no interest in this study and the Clean Coalition strongly urges the Commission to require that SCE conduct such a study before approving SCE's proposal.

b. Procedures for determining cluster study boundaries need to include objective criteria

Determining the boundaries of each distribution grid cluster is very important for a number of reasons, including: 1) it will determine which projects share in interconnection costs; 2) it will determine how many other projects are studied in each cluster; and 3) most importantly, it will determine whether a project can proceed in the ISP as a "cluster of one," and avoid the lengthy cluster study process entirely. However, no objective criteria are supplied SCE for determining the boundaries for each distribution grid cluster. In fact, no guidance at all is supplied on this key issue in the tariff.

We urge the Commission to require that SCE and other PTOs to include objective criteria for determining cluster boundaries. Including objective criteria will allow developers to have some foreknowledge of the clustering process and whether or not their projects will qualify under ISP. Having objective criteria will also provide some means for appealing PTO decisions if this becomes necessary.

c. SCE's proposed Fast Track fails as an alternative to the extended cluster study process

As discussed above, the unique aspects of the development cycle of smaller developers, combined with SCE's proposed doubling of the WDAT timeline relative to the current SGIP serial study procedure, makes Fast Track and the proposed ISP highly important to smaller developers. It is therefore absolutely vital that Fast Track be made a viable alternative to the cluster process and that any SCE decision, even a decision to leave its Fast Track effectively unchanged, must be justified. Unfortunately, SCE has proposed a Fast Track that is substantially worse than both the Fast Track in the CAISO GIP and the Fast Track proposed by PG&E in its own proposed WDAT reform. To make matters worse, at the very end of the stakeholder process, SCE added open-ended financial responsibility language that will very likely dissuade the majority of smaller developers from ever risking the Fast Track interconnection option.

Given the CAISO's decision to expand Fast Track to 5 MW and PG&E's proposal to do the same, SCE's decision to keep the Fast Track limit at 2 MW is a marked departure from its peers. We expected SCE to provide data during the stakeholder process to support this decision, but they did little other than provide the following statement in a stakeholder communication on January 3, 2011:"The difference in impacts between a 2 MW and a 5 MW generating facility at distribution voltages can be substantial and material, depending on the circuit loading, distance between the generating facility and the nearest substation, and the presence of any other generation resources on the same or nearby circuits."

While this is undoubtedly true, the Fast Track screens are designed to address these very issues, which is why PG&E and the ISO were comfortable expanding beyond the 2 MW limit. We also note that while SCE stated in the same communication to stakeholders that it had completed an internal engineering review of the 2 MW limit (and determined that it should remain as is), SCE refused to share this analysis with stakeholders when requested to do so and

explained later that it hadn't completed any extensive review that could be shared. In fact, it wasn't until the release of Rogelio Salas'[4] written testimony (discussed below) after the close of the stakeholder process that we learned more details about SCE's decision to limit Fast Track to 2 MW. Salas' testimony nevertheless fails to demonstrate why PG&E and CAISO can expand Fast Track to 5 MW and SCE can't. SCE should, in fact, be able to expand Fast Track to far larger projects because, contrary to PG&E, SCE controls lines up to 220 kV ("sub-transmission") whereas PG&E's lines 60 kV and above are controlled by the CAISO.

In Rogelio Salas' written testimony presented to the Commission, we again see only general statements, not data or analysis. For example, Mr. Salas states that for SCE's mid-range distribution level voltages such as 25 kV or 33 kV, "many of these facilities consist of looped systems with very long distribution line sections and relatively small wires. In many cases, these are very long tap lines that are used to serve small loads far from major load centers. Thus, for these somewhat higher level voltage circuits, connecting more than 2 MW of generation at a remote location with a small wire could cause system reliability problems to existing customers."

Does "many" mean 25%? Does it mean a majority? Does it mean 100% of the lines? These are vital questions because the distribution lines Salas refers to are the exact types of lines that 2 MW to 5 MW developers would like to interconnect to via Fast Track. Yet SCE provides no data on these vital questions. Assuming the answer to our rhetorical query is not 100% of the lines, surely SCE could, if it were willing, determine a way to make these circuits accessible to Fast Track

[4] Prepared Direct Testimony Rogelio Salas on Behalf of Southern California Edison (Exhibit No. SCE-2)

developers. Moreover, Fast Track Screen 2[5] addresses the very issue of "small loads" that Mr. Salas cites. PG&E's distribution system has similar characteristics as those described by SCE and yet PG&E is willing to depend on the rigor of the Fast Track screens and expand their proposed Fast Track eligibility up to 5 MW as follows (PG&E WDT Amendment proposed GIP tariff, section 2.1):

> The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Distribution Provider's Distribution System if the Small Generating Facility is no larger than 5 MW (up to 3 MW for a 21kV interconnection, and up to 2 MW on a 12 kV interconnection) and if the Interconnection Customer's proposed Small Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate. The MW limits in this paragraph are, however, advisory and not mandatory. The screens in section 2.2 provide the actual capacity limits for each Interconnection Request.

Mr. Salas' testimony continues as follows: "Given such characteristics in terms of voltage and loading profiles, connecting more than 2 MW to these types of distribution facilities without performing system studies could lead to possible voltage excursions outside SCE's required bandwidth which would affect all customers connecting to the distribution feeder." Again, the Fast Track screens, and specifically Screen 2, are meant specifically to address the voltage and loading issues described by Mr. Salas. Moreover, SCE has not shown what is different about SCE's grid when compared to PG&E and CAISO, both of which agreed to expand Fast Track eligibility up to 5 MW.

Our conversations with smaller developers and consultants (several of whom worked previously at the utilities or the CAISO), lead us to believe that there is

[5] "[T]he aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation."

no legitimate rationale for SCE to diverge so markedly from PG&E and the CAISO on this issue. We therefore ask that the Commission compel SCE to bring their Fast Track in line with market standards – or explain in detail why it can't follow PG&E and CAISO on this key issue. At the very least, we ask that the Commission compel SCE to present the analysis that led it to limit Fast Track to 2 MW and to explain (with substantial evidence) why its perspective is so different from that of PG&E.

Unfortunately, there is another major problem with SCE's proposed Fast Track in the newly-added Section 6.6. This section imposes on developers uncapped and unknown cost liabilities associated with "future engineering or other study work", with no temporal limit for this cost liability:

> Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

Given the potentially substantial costs of Distribution Upgrades and Network Upgrades, few developers, and even fewer capital providers, will be willing to accept the uncapped cost risk proposed by SCE. In fact, several of the smaller developers we spoke to indicated that this clause was a "poison pill" that effectively renders the Fast Track useless because it is too risky. The broad cost

liability language proposed by SCE, with no temporal limit, is far too onerous to be reasonable. We therefore ask the Commission to compel SCE to remove any reference to future costs other than those associated with Interconnection Facilities.

Finally, the Commission should require SCE and other PTOs to assess the merits of revising Fast Track Screen 2. The Clean Coalition and others have raised various issues around this screen, which acts as a key barrier to the size of Fast Track projects, including:

- Discussion of how a screen based on minimum load may be more accurate and appropriate
- Discussion of how the screen should take into effect the positive attributes of solar generation and other peak renewable energy resources
- Questions about the origins of the current screen's 15% of peak load limit and how rigorously that standard has been studied and tested

We also recommend that SCE work with the CPUC and other utilities to analyze changes to Screen 2 more generally. As we've mentioned in previous comments to SCE, Black & Veatch's wholesale DG analysis for the CPUC used a 30% peak circuit load limit instead of 15%, after consulting with the utilities, including PG&E, as a way to estimate total resources for solar PV. The rationale is that solar PV is a peak resource so it should be accommodated at far higher percentages than the highly conservative 15% limit because maximum circuit load will often coincide with solar output. SCE and PG&E have, however, indicated no interest in modifying this screen without further study so we urge the Commission to require that SCE and other PTOs engage in further study of this key issue.

d. The Independent Study Process has not been shown to be a viable alternative to the cluster study process

The Fast Track study procedure's combination of a 2 MW limit and a potential "poison pill" from the uncapped cost liability language means that few, if any, smaller developers will be comfortable pursuing Fast Track interconnection. Accordingly, the proposed Independent Study Procedure (ISP) will generally be the only hope for smaller developers seeking to avoid the 692-day average study timeline in the cluster process.

Unfortunately, accessibility to the ISP is also a large "question mark" because SCE has departed significantly from the recent CAISO GIP reform. Whereas CAISO made a conscious effort to use objective screens rather than subjective judgment in order to determine electrical independence, SCE opted to base its independence screens entirely on "engineering judgment":

> Distribution Provider will evaluate each Interconnection Request for known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships between the Interconnection Request and any earlier-queued Interconnection Requests in the Cluster Study Process, the Independent Study Process, or Interconnection Requests studied under predecessor interconnection procedures that have yet to complete their respective Interconnection System Impact Study or Phase I Interconnection Study.

As written, this test constitutes a "black box" of engineering judgment with literally no objective criteria provided. This language provides, in other words, *carte blanche* to SCE to deny ISP requests with no explanation other than "engineering judgment." The grid itself is not a subjective system. It is a physical and objective system and is modeled with software simulations. Accordingly, it seems that any judgments about electrical independence should be made using

objective criteria instead of undefined and subjective engineering judgment. This concern is particularly relevant given that the IOUs are increasingly competing with developers for interconnections in programs like the SPVP, giving rise to at least the appearance of a conflict of interest that needs to be mitigated. For example, CAISO adopted objective criteria for the ISP in section 4.2 of their new tariff.

SCE's "black box" would be less concerning if they had provided explanatory data or analysis about the ISP during the stakeholder process. For example, given Mr. Holdsworth's testimony that SCE's independence test allows for "a quick evaluation of an IR using minimal subjective engineering judgment" and that it could "quickly evaluate IRs for the ISP, without requiring substantial engineering resources", it should have been relatively easy for SCE to back-test the existing queue and ascertain what percentage, if any, of existing projects would theoretically be able to access the proposed ISP. This request was made by the Clean Coalition during the stakeholder process and remains unfulfilled. As such, we and other stakeholders are left to guess as to whether or not the ISP is a viable and accessible "Accelerated Option."

Because the ISP is a new process with no track record and a subjective basis for rejection, the burden should be on SCE to provide evidence that the ISP as proposed is a viable and accessible procedure. In addition, the burden is on SCE to explain why it has deviated so materially from the CAISO approach. Without improvements or clarifications on this issue, we must assume that the ISP, like SCE's Fast Track, constitutes simply a "false hope" for smaller developers. In fact, at a WDAT reform stakeholder meeting on October 18, 2010, Mr. Holdsworth, in response to questioning about the accessibility of the ISP, answered: "For various reasons, we expect most projects are not going to get through the ISP." Unfortunately, if both Fast Track and the ISP are fatally flawed

processes, then smaller developers will be forced into the standard cluster process and be subjected to its 692-day average timeline, which is more than twice as long as the existing SGIP process.

e. SCE has consistently refused to enhance its grid transparency as a way to mitigate its proposed extended cluster study timelines

The Clean Coalition is a strong advocate of increased grid transparency and queue transparency. As we commented in prior filings with the CAISO and the Commission, increasing the interconnection information made available to the developer community ("grid transparency") benefits all parties since a more informed developer community will present SCE with higher quality interconnection requests, resulting in less canceled projects and, therefore, less analysis time wasted by SCE. Increasing the pre-interconnection request information available to developers is particularly important given the substantially longer timelines of the proposed cluster study process.

The ideal interconnection system would include a regularly updated website and virtual map showing the SCE distribution grid, individual substation and line section capacity, and related data – as is the case with PG&E's new interconnection data map completed pursuant to recent CPUC orders (see below). If security concerns are presented by sharing this kind of information with developers, non-disclosure agreements (NDAs) should be required for developers. While SCE has released some data in the maps it has posted for the Solar Photovoltaic Program (SPVP) and the Renewables Auction Mechanism (RAM), SCE's maps have unclear and limited information, especially when compared to the more data-rich maps recently committed to by San Diego Gas

and Electric (SDGE) and PG&E. For example, PG&E's proposed map[6] will provide the following information for a specific substation:

- Nominal circuit voltage
- Maximum normal circuit/substation capacity (summer)
- Projected peak load for summer 2011
- Amount of distributed generation existing on the circuit/substation

SDG&E's map also envisions providing similar information. By comparison, SCE's maps provide no specific circuit data and only show vague regions that SCE has determined to have a higher likelihood of interconnections with likely lower cost. For its SPVP map, SCE has highlighted regions where there is load but not enough generation and capped out most of those regions at 3 MW of availability because this exceeds the capacity that SCE believes should be allowed through Fast Track. Additionally, for its RAM map, SCE has only highlighted regions where SCE prefers generation to be located since its systems in those regions are already loaded. We believe that the more comprehensive approach to grid transparency taken by PG&E and SDG&E is far more reasonable and we ask the Commission to compel SCE to do the same as a condition for approval of any revisions to its WDAT.

f. Queue transparency must also be improved to mitigate the impacts of the proposed cluster study process

As discussed above, the Clean Coalition is a strong proponent of increased transparency in the interconnection process. In addition to grid transparency, we are advocates for better queue transparency, which means an expansion of the

---

6 http://www.pge.com/includes/docs/ppt/b2b/wholesaleelectricsuppliersolicitation/PV/2011_PV_PPA_RFO_Morning%20Session_FINAL.ppt

information made available by the IOUs on their interconnection queues. We stress that all this information is already known to the utilities, but they have previously chosen not to release it to the public. We believe that this lack of data and, in particular, the lack of data provided by SCE during the WDAT reform stakeholder process, is one reason why SCE's stakeholder process has resulted in such poor solutions to the backlog problem. The need for more queue transparency is especially pertinent if we assume that any revised WDAT tariff will not be perfect and will likely be revisited and refined in future stakeholder processes. In fact, any new SCE interconnection process should provide substantially more data so that the interconnection process is auditable in the future and not the black box we have today.

We therefore ask the Commission to direct SCE to expand its online queue information to include these additional items for each project:

- date application deemed sufficient,
- date of scoping meeting,
- date of system impact study,
- date of facilities study, and
- date of results meeting

Additionally, information should be provided on each project that fails to clear an Accelerated Option (Fast Track or ISP) and the specific reason for that failure. This information should also be provided for all utility-owned projects that participate in projects like the utilities' Solar Photovoltaic Programs (SPVP), which are new utility programs for commercial-scale solar.

Additionally, all study results should be posted online to provide more information to all parties involved in the interconnection process. As we have

noted multiple times in earlier comments to SCE and others, Pacificorp provides links to actual System Impact Studies and Facilities Studies in their publicly-available interconnection queue: http://www.oasis.pacificorp.com/oasis/ppw/lgia/pacificorplgiaq.htm.

g. The Commission should required SCE to conduct a third party interconnection process audit

FERC Order on Technical Conference, 122 FERC 61,252, states (emphasis added: "When considering tariff changes applicable to future and early-stage existing interconnection requests, the RTOs and ISOs should first consider whether their current tariffs use all of the streamlining options already explicitly sanctioned under Order No. 2003. Order No. 2003 lists the addition of utility staff, streamlining modeling software and clustering studies as streamlining options."

SCE provided no evidence that it considered streamlining software during this reform process. In addition, while SCE states in its testimony that it has added some staff, anecdotal evidence from developers indicate that SCE is severely understaffed and has not staffed up appropriately in response to the increase in smaller project interconnection requests. We believe evidence of this understaffing can be found in anecdotal evidence that there are long delays even for simple tasks such as deeming an application to be complete. In addition, in SCE's testimony to the Commission, SCE only addresses the issue of staff in the context of the benefit of cluster studies relative to serial studies. This does not address the possible benefit of using additional staff to create a faster cluster study timeline – the crucial issue behind SCE's proposal.

As such, we ask the Commission to compel SCE to consider other streamlining options prior to approving the proposed dramatic changes to the WDAT. In

addition, we believe there is value in completing an independent, third party assessment of SCE's interconnection procedures and identify areas for improvement. We urge the Commission to require SCE to conduct a process audit as part of the next stage of its interconnection reform and submit a report to the Commission detailing the findings. This audit should form the basis for a multi-year improvement in interconnection procedures, with lessons learned to be disseminated to other IOUs, ISOs and RTOs around the country.

On its face, the length of time interconnection studies take in most jurisdictions around the country seems extreme, particularly given the fact that private consultants can perform detailed load flow analyses in a matter of hours. The interconnection study process is admittedly highly complex and should not be unduly rushed. But to suggest, as SCE and CAISO (in a prior proceeding) have done, that there are not very significant areas of potential improvement, which could be identified by a third party process audit, is to neglect a potential powerful solution to the current queue backlog. It does not seem unrealistic to the Clean Coalition, given the dramatic increase in computing power in recent years and concomitant software improvements, that a revamping of SCE and CAISO interconnection processing procedures could result in dramatically reduced study times. For example, Mr. Holdsworth's written testimony makes repeated references to information handoffs between SCE and CAISO. It seems there could be an opportunity for SCE and CAISO to better integrate their systems, thereby reducing the impact of these handoffs and accelerating the study timelines.

If the Commission is reluctant to condition its approval of SCE's proposal on an independent audit, we request that the Commission direct the appointment of an Independent Evaluator for all aspects of SCE's interconnection procedures. The

Independent Evaluator would observe the SCE processes and provide regular analysis and commentary to the Commission and stakeholders.

Respectfully submitted,

TAM HUNT

Attorney for:
Clean Coalition
16 Palm Ct
Menlo Park, CA 94025

Dated: March 22, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served electronically according to Rule 385.2010(f) of the Commission's Rules of Practice and Procedure.

Dated at Santa Barbara, California, this 22nd day of March, 2011.

Tamlyn Hunt

Appendix A: Clean Coalition (formerly FIT Coalition) comments on SCE's Final Draft WDAT proposal during its stakeholder process

Clean Coalition comments on SCE WDAT GIP draft tariff

ROB LONGNECKER, POLICY ANALYST FOR CLEAN COALITION
TAM HUNT, J.D., ATTORNEY FOR CLEAN COALITION

March 22, 2011

I. Introduction

The Clean Coalition (formerly The FIT Coalition) is extremely disappointed to see so little change to SCE's proposed WDAT tariff revision ("draft tariff") after numerous party comments. As we've discussed previously, we agree that there is a need to improve the process to handle what is a severely backlogged WDAT/SGIP/Rule 21 queue. However, despite substantial efforts by the Clean Coalition and other stakeholders to recommend tariff improvements, we believe that SCE's proposed solutions remain highly flawed and, vitally, appear to violate FERC requirements that reforms result in a WDAT that is "consistent with or superior to" existing procedures for distribution line interconnection. We recognize and appreciate SCE's removal of any COD requirements for ISP projects, letting the test for electrical independence act as the gatekeeper for ISP projects. However, this change in itself is insufficient to make up for the downsides of the proposed reforms, particularly because absolutely no objective criteria are supplied for how electrical independence is to be determined. And the draft tariff contains no dispute resolution procedures to challenge SCE's determinations.

In short, the draft tariff gives us no confidence at all that the ISP will be a legitimate alternative to the cluster process. When combined with SCE's intransigence in raising the Fast Track limit from 2 MW (as PG&E and CAISO have done), as well as back-tracking on some of the previous improvements to the Fast Track language in this latest draft, **SCE's proposed tariff represents, on balance, a remarkable step backwards for Wholesale Distributed Generation interconnection procedures**. This is the opposite from what California needs, in light of our ambitious renewable energy mandates and greenhouse gas mitigation efforts, in addition to the need to jumpstart our renewable energy industry for job creation and economic benefits for all Californians. SCE's proposed reforms will take us backwards from achieving all of these goals.

We note again that FERC's standard of review for considering PTO tariff revisions is more stringent than that for ISOs like CAISO. FERC re-confirmed this regulatory point in its recent conditional approval of CAISO's GIP Proposal (133 FERC ¶ 61,223, Dec. 16, 2010, p. 25):

> Multiple parties raise concerns that CAISO's GIP proposal could have adverse consequences if adopted by the California IOUs in their WDATs. This order, however, narrowly addresses CAISO's proposal for interconnection procedures for its transmission system and, thus, the IOUs' WDATs are not before the Commission at this time. Therefore, any concerns with the California IOUs' WDATs are outside the scope of this proceeding. Our acceptance of the GIP proposal recognizes the special accommodations we afford independent entities under our interconnection policies, for the reasons summarized above. Any utility proposing to utilize an approach that mirrors the GIP will have to justify its consistency with Order No. 2003 and Order No. 2006 and Commission precedent under the relevant standard, and it will not enjoy an independent entity variation accommodation.

It seems abundantly clear that SCE's proposed reform of the WDAT will not pass muster with FERC in its present form. In order to create a WDAT draft tariff that would be deemed acceptable by FERC, we believe that the following changes should be incorporated:

- Shorten the cluster study process considerably
- Improve Accelerated Options, such as Fast Track or the Independent Study Process (ISP), so they can be accessed by a substantial percentage of smaller developers
- Improve pre-application exchange of information, including improved grid transparency to provide more pre-application information to developers and a "for fee" feasibility study for projects 20 MW and below
- Improve queue transparency to provide more data and deadline tracking, ensuring that the process is transparent and deadlines are being met
- Agree to an independent process audit to review in detail SCE's interconnection study procedures, staffing and software. It is our hope that such a process will eventually allow two full cluster studies to be completed each year, which would allow for all of the benefits of cluster studies to be realized, with none of the downsides.

As we have discussed repeatedly in prior filings, the Clean Coalition feels that the PTOs and ISO don't sufficiently understand the development cycle for 20 megawatt-and-smaller energy projects.

The total waiting period and study time, plus time for a meeting to discuss the study results will, as we've demonstrated, require an average of 632 days – but up to about 800 days in the worst case scenario. Two years for interconnection studies to be completed – ignoring the substantial additional time it will take to

negotiate the generator interconnection agreement (GIA) and then construct any required upgrades – is an unacceptable timeline for smaller developers and appears to violate FERC's "consistent with or superior to" standard.

The Clean Coalition believes that SCE's proposed cluster study process will only be acceptable to the FERC if the cluster study process is accelerated and/or the Fast Track and the ISP (Accelerated Options) can be accessed by a substantial percentage of smaller developers. Additionally, we believe SCE needs to substantially improve pre-application exchange of information, from improved grid transparency to a "for fee" feasibility study for projects 20 MW and below. As it currently stands, **SCE's proposed tariff offers few improvements over the earlier versions, with some major steps backwards, and, importantly, is substantially less accommodating to smaller developers than the ISO GIP and the proposed PG&E WDAT**. Below, we offer a comparison:

	SCE	PG&E	ISO
Fast Track	Up to 2MW	Up to 5 MW (up to 3 MW for a 21kV interconnection, and up to 2MW on a 12kV interconnection)	Up to 5 MW
Grid Transparency	No improvement	During WDAT reform process, PG&E committed to substantially increase the information provided to developers to include specific circuit information (voltage, capacity, loading information (including peak load) and amount of distributed generation already on that circuit)	No improvement
Queue Transparency	No improvement	No improvement	Now required by FERC to incorporate an

			informational update on Fast Track and ISP as a part of CAISO's existing LGIP quarterly reports

I. Feasible fixes within the current stakeholder process

a. The final tariff should include a timeline diagram for the various deadlines and dates for the interconnection study process

The interconnection study process is highly complex. It would be very useful for applicants if SCE could include a timeline diagram in the final tariff showing the key deadlines and relevant time periods for each phase of the process.

More generally, we request that SCE standardize its "days" as either Calendar days or Business days throughout the document – it's confusing to have different types of days used in different places, with some "days" left unspecified as to whether they are Calendar or Business days.

b. SCE should offer a feasibility study to first cluster window applicants

SCE should offer a feasibility study for entities entering the first cluster window (as is available under today's WDAT), to be completed by SCE within 60 days, with a choice upon the close of the second cluster window as to whether the applicant wishes to proceed or not with Phase I of the cluster study process.

Costs for this feasibility study should be reasonable and paid for by the applicant.

c. Section 1

Section 1 refers to a Commercial Operation Date (COD) for the ISP process. As reference to a COD has been removed later in the tariff, this language should be removed.

d. Section 3.3

Section 3.3 refers to "in a timely manner". This language is vague and should be reworded to be more specific.

e. Section 3.5

It is unclear why Section 3.5 removed reference to Solar Photovoltaic facilities. We recommend it be re-inserted to eliminate any doubt that solar is included under this tariff.

Additionally, the information SCE's proposes to provide in this section should be expanded in order to increase queue transparency. As the Clean Coalition has mentioned previously, SCE's reform process has been data-starved, which significantly impairs any stakeholder process and makes it difficult to accurately diagnose the problems and suggest optimal solutions. Additionally, we believe it is vital to understand whether or not the Accelerated Options are working appropriately and this can only be done by rigorously tracking each project and making this data public. Specifically, the online queue information should be

expanded dramatically and we request inclusion of these additional items for each project:

- date application deemed sufficient,
- date of scoping meeting,
- date of system impact study and
- date of facilities study.
- Additionally, information should be provided on each project that fails to clear an Accelerated Option and the specific reason for that failure.
- This information should also be provided for all IOU-owned projects that participate in projects like the Solar Photovoltaic Programs (SPVP).

We note that the FERC provided similar commentary in its recent conditional approval of CAISO's GIP Proposal (133 FERC ¶ 61,223, Dec. 16, 2010, p. 31):

> In particular, CAISO should include information about the number of projects requesting interconnection through the ISP, the outcome of those requests, the complete length of time for recently completed ISP interconnection studies (from initial application through final approval), and the reason for any rejections of projects requesting ISP treatment. This information will improve the transparency of the ISP, which is in the best interest of all market participants.

FERC made similar comments in reference to queue transparency for Fast Track. We also encourage SCE to increase the flow of information by posting the results of scoping meetings and system impact and facility studies, with information redacted where necessary. We believe this would cut down on multiple interconnection applications in areas where expensive upgrades would be required. For an example of a utility providing such information, please visit PacifiCorp's interconnection queue: http://www.oasis.pacificorp.com/oasis/ppw/lgia/pacificorplgiaq.htm.

Pacificorp shares a substantial amount of more general interconnection data also, as part of its participation in FERC's OASIS program: http://www.oasis.pacificorp.com/oasis/ppw/main.htmlx.

f. Section 4.2.2.1

Section 4.2.2.1 provides for ten (10) Business Days to notify of receipt and validity of Interconnection Request. We believe requesting this much time for simple clerical work is an example of how the IOUs may be understaffed and believe this should be reduced to two (2) Business Days. Additionally, the date the developer is informed that the Interconnection Request is received and valid should be posted publicly on the interconnection queue. This will improve queue transparency and allow outside observers to determine how well the new WDAT tariff is working. These comments are also relevant to Section 5.3.1 and Section 6.2.

g. Section 4.3

Why was reference to "distribution data" removed from the description of the purpose of the Scoping Meeting? This seems to be a major mistake because the entire point of this Scoping Meeting is to discuss available information about the distribution grid, as well as any impacts to the transmission grid. It is thus imperative that distribution data be re-inserted into the tariff.

Also, the tariff states that a Scoping Meeting shall occur within 60 days of the close of the cluster study window. We again request that SCE reduce this figure to 30 days.

h. Section 4.5.6

In the event that the Distribution Provider determines that it will not meet the required time frame for completing the Phase I Interconnection Study, this information should be posted publicly on the interconnection queue. This will improve queue transparency and allow outside observers to determine how well the new WDAT tariff is working. This comment is also relevant to Section 4.6.2, Section 5.8.1.2 and Section 5.8.2.3.

i. Section 5.3.2

Section 5.3.2 provides only two business days for applicants (Interconnection Requests) to dispute a notice of invalidity for the Independent Study Process (ISP). This is far too short and should be extended to 14 days. This will allow applicants sufficient time to confer with consultants or legal counsel and decide on a course of action.

j. Section 5.5

SCE must address the electrical independence test in a more objective manner and remove subjectivity from the interconnection procedures as much as is possible. As written, this test is entirely a "black box" of engineering judgment with literally no objective criteria provided. This language provides, in other words, *carte blanche* to SCE to deny ISP requests with no explanation other than "engineering judgment." This is unacceptable and we will certainly challenge this approach at FERC due to our belief that the very substantial downsides

resulting from the extremely lengthy cluster study process requires legitimate alternatives such as the ISP.

The grid itself is not a subjective system. It is a physical and objective system and is modeled with software simulations. Accordingly, it seems that any judgments about electrical independence should be made using objective criteria instead of undefined and subjective engineering judgment. This concern is particularly relevant given that the IOUs are increasingly competing with Independent Power Producers for interconnections in programs like the SPVP, giving rise to at least the appearance of a conflict of interest that needs to be mitigated. This potential for a conflict of interest is the explicit rationale for FERC's heightened scrutiny of PTO interconnection tariffs versus ISO tariffs.

As written, the draft tariff gives us no confidence at all that the ISP will be a legitimate alternative to the cluster process. When combined with SCE's intransigence in raising the Fast Track limit from 2 MW (as PG&E and CAISO have done), SCE's proposed tariff represents a remarkable step backwards for interconnection procedures.

k. Section 5.5.3

In an effort to improve queue transparency and allow outside observers to determine how well the new WDAT tariff is working, we suggest that any Interconnection Request that fails the Electrical Independence Test should be provided with a detailed report explaining the failure and providing the analysis performed to determine the failure. This report should be posted publicly on the interconnection queue.

This request is particularly relevant given the proposed subjective methodology for determining Electrical Independence and the potential for conflicts of interest with regard to IOU projects that are increasingly competing with Independent Power Producers for interconnections in programs like the SPVP.

l. Section 6

SCE's proposed Fast Track is far more restrictive than the Fast Tracks proposed by PG&E and the ISO. We again recommend that SCE raise its Fast Track limit to 5 MW in order to provide a legitimate alternative to the cluster process for smaller projects – as PG&E and ISO have done.

SCE has given no evidence or analysis to justify having a limit lower than that proposed by PG&E and ISO, other than to state in a stakeholder communication on January 3, 2011 that "The difference in impacts between a 2 MW and a 5 MW generating facility at distribution voltages can be substantial and material, depending on the circuit loading, distance between the generating facility and the nearest substation, and the presence of any other generation resources on the same or nearby circuits." While this is undoubtedly true, the Fast Track screens are designed to address these very issues, which is why PG&E and the ISO were comfortable expanding beyond the 2 MW limit. We also note that while SCE stated in the same communication to stakeholders that it had completed an internal engineering review of the 2 MW limit (and determined that it should remain as is), SCE refused to share this analysis with stakeholders when requested to do so and explained later that it hadn't completed any extensive review that could be shared. Thus it is entirely unclear what analysis SCE did engage in in making this determination. The fact that PG&E and ISO have decided to increase this limit to 5 MW shifts the onus to SCE to explain why it

can't follow suit.

m. Section 6.2

It is unclear whether it is SCE's intention that a Fast Track project should NEVER be able to seek full deliverability. In the ISP process, for example, a project is allowed to seek full deliverability after the fact. No rationale is offered as to why Fast Track projects shouldn't be offered the same right to seek deliverability *ex post* and we can think of none.

n. Section 6.4.2

Section 6.4.2 provides only two Business days to dispute SCE's determination that the Fast Track application is incomplete. This is FAR too short, providing almost no time for a developer to consider information provided, consult with internal staff and/or attorneys, and make a decision as to how to proceed. This period should be extended to 14 days.

o. Section 6.7

We believe Screen 10 should specifically state, as SCE did in its market notice: "No construction by the Distribution Provider of Network Upgrades on the ISO Grid or Distribution Upgrades on the Distribution System, *other than those upgrades directly attributable to the Generating Facility,* shall be required to accommodate the Generating Facility."

More importantly, Section 6.7 adds the possibility of future costs associated with Interconnection Facilities, Distribution Upgrades, or Network Upgrades. We believe this wholly violates the spirit of a Fast Track process and that this language, other than references to Interconnection Facilities, should be removed. The point of the Fast Track process is to expedite interconnection for those projects that can interconnect with minimal or no upgrades to the grid, in order to efficiently build out the distribution grid in a way that benefits all ratepayers. **By adding at this very late stage of the reform process a huge "x factor" of unknown potential costs at any point in the future, SCE's intent seems to be to further weaken the Fast Track such that it becomes unusable**. We strongly recommend removing this new language and limiting Fast Track projects to financial liability for only those costs identified in the Fast Track process itself.

p. Section 9/11.2/11.3

Various provisions in the tariff refer to "Dispute Resolution Procedures set forth in Section 9 of the Tariff" but Section 9 does not include dispute resolution procedures. The table of contents refers to section 11.3 for disputes, but 11.3 in the document itself is for bonds. 11.2 is entitled "disputes," but refers to section 9. In short, the dispute resolution procedure in the draft tariff is a mess. This is a very important issue because current dispute resolution procedures are highly inadequate. Developers have communicated to the Clean Coalition on numerous occasions that SCE is simply ignoring deadlines in existing tariffs – with no recourse for developers. As such, the dispute resolution procedures in the draft tariff must be fleshed out and commented upon before SCE submits for FERC approval.

II. Mid-term improvements

a. Provide detailed circuit maps to developers

As previously mentioned, SDG&E's new solar PV program includes an enhanced data-sharing component and PG&E's comments during their WDAT reform process indicate a plan to substantially increase the data made available to developers. This level of detailed information allows developers to perform their own feasibility studies in-house or through consultants and should be provided by SCE. If security concerns are presented by sharing this kind of information with developers, NDAs should be required.

b. Retain an Independent Evaluator

Additionally, SCE should retain an Independent Evaluator, similar to the one used in SCE's SPVP program. We believe that the presence of an Independent Evaluator could substantially ease the concerns of smaller developers and ensure that the new GIP process is constantly evaluated in terms of SCE's internal procedures, allowing for incremental improvements that are communicated clearly to all stakeholders.

c. Hire an outside consultant to conduct a detailed process audit of SCE's interconnection procedures

The Clean Coalition believes that the proposed WDAT cluster study process could be improved such that two full clusters are completed each year. With two full clusters per year, the proposed new process would present clear benefits compared to the present WDAT, largely mitigating the concerns we've enumerated above.

It seems that the 420 day timeline for the study process itself (ignoring for the moment the potential year-long waiting period before the study begins) is far longer than should be required. This conclusion is supported by many of the bullet items in the detailed list of the proposed 420 day timeline provided in the ISO GIP Proposal. Many of the items seem largely ministerial and yet a month or more is provided for completion in many cases. Surely the combination of additional staff and software and other process modifications could compress the full cluster study process, perhaps allowing two full clusters could be completed each year, making the draft tariff an unequivocal improvement over the current WDAT process.

Importantly, we note that the FERC comments on the CAISO's GIP Proposal (133 FERC ¶ 61,223, Dec. 16, 2010) also seem to indicate the ISO (and presumably the IOUs) should be pushing for additional improvements and that the ISO intends to address this in a new stakeholder process in 2011:

> The new combined cluster approach could open up the possibility for further benefits from additional measures and we encourage CAISO to consider how it may further improve the efficiency of its process in the future.

In sum, we again urge SCE to hire a third party consultant, as described above, to fully examine methods for streamlining the cluster study process to achieve two full cluster studies per year. With two full clusters per year, and up to a year waiting period for studies to begin, the timeline could be reduced from the 630-840 day timeline described above (SCE's proposed new procedure under the draft tariff) to 180-540 days, approximately.