

Stakeholder Comments Template

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

| Submitted by | Company | Date Submitted |
|---|------------------------|----------------------|
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This template was created to help stakeholders structure their written comments on topics detailed in the May 27, 2011 *Draft Final Proposal 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 no later than the close of business on June 10, 2011.

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

Your input will be particularly valuable to the extent you can provide comments that address any concerns you foresee implementing these proposals.

Please note there are new topics in this comments template that have been introduced for the first time in the draft final proposal - Item # 18, 19, 20, 25, 26 & 27

Comments on topics listed in GIP 2 Draft Final Proposal:**Work Group 1**

Based on the last round of work group meetings and our review of stakeholder comments, the ISO has determined that WG 1 topics should be taken out of GIP 2 scope and addressed in a separate initiative with its own timeline

Work Group 2

1. Participating Transmission Owner (PTO) transmission cost estimation procedures and per-unit upgrade cost estimates;

Comments:

Clean Coalition has no comment

2. Generators interconnecting to non-PTO facilities that reside inside the ISO Balancing Area Authority (BAA);

Comments:

Clean Coalition has no comment

3. Triggers that establish the deadlines for IC financial security postings.

Comments:

Clean Coalition has no comment

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

Comments:

Clean Coalition has no comment

5. Improve process for interconnection customers to be notified of their required amounts for IFS posting

Comments:

Clean Coalition has no comment

6. Information provided by the ISO (Internet Postings)

Comments:

The Clean Coalition is pleased to hear that the ISO plans to develop an internal team to review the issues and requested items for posting to the internet; transparency and accessibility of information is invaluable for process evaluation and stakeholder operations. We would encourage the ISO to learn from the best practices currently available in the marketplace and to meet or exceed these. We believe that areas to learn from include:

PGE RAM Program Map

<http://www.pge.com/b2b/energysupply/wholesaleelectricssuppliersolicitation/PVRFO/pvmap/>

We believe the PG&E map is a good starting point, although the information needs to be taken down to the individual line segments, rather than just on a circuit level.

Ontario Power Authority

The Ontario Power Authority System was an early leader in releasing map-based information and has had some issues in terms of disparities between the information provided on the maps and the real life experiences of developers. Given the OPA's leadership role in information sharing and issues along the way, they may have some valuable information to share with the ISO on this issue.

<http://fit.powerauthority.on.ca/ontario-transmission-system-map>

Pacificorp

As mentioned previously, Pacificorp publicly releases System Impact Studies and Facility Studies:

<http://www.oasis.pacificorp.com/oasis/ppw/lgia/pacificorplgiaq.htm>

Midwest ISO

Other stakeholders have referenced the higher levels of information availability on the Midwest ISO public site. Again, this may be useful guide for the CAISO.

Also, in terms of the CAISO's Quarterly Progress Report, we think that the information provided in the first quarter 2011 is a good starting point and are encouraged to see mention of the projects applying for Fast Track and ISP. With regard to Fast Track, we would encourage the ISO to provide information similar to what is provided in its interconnection queue, including date of application received, project size, project type (solar, wind, etc), IOU territory, location, point of interconnection and date that the application is either withdrawn or passes/fails Fast Track. In fact, as CAISO acknowledges in its May 1, 2011, the "Commission directed the ISO to include in its

reports the size and type of generator interconnection requested under the Fast Track process [and] the proposed location of the generator” so it is unclear to us why this information was not provided in that same report. Additionally, in the event that Fast Track is failed, we would ask the CAISO to provide detailed information on what caused the failure. In terms of the ISP, we recommend release of as much information as is practical in the event of withdrawal or failure so that the causes of these outcomes can be identified and understood, and so that we may all learn how this new process is working.

Work Group 3

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

Comments:

Clean Coalition has no comment

8. Reduction in project size for permitting or other extenuating circumstances

Comments:

Clean Coalition has no comment

9. Repayment of IC funding of network upgrades associated with a phased generation facility.

Comments:

Clean Coalition has no comment

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

Comments:

Clean Coalition has no comment

11. CPUC Renewable Auction Mechanism

Comments:

The Clean Coalition appreciates the CAISO's effort's to support the CPUC RAM process. In addition to addressing the "Active interconnection request" requirement of the RAM, we also feel the CAISO can help to address the issue of *de facto* deliverability requirements being imposed by IOUs in the RAM process. Specifically, we ask the CAISO to provide more information on the concept of a "Safe Harbor" whereby a project that is equal to or less than a certain size could be presumed Deliverable. (This issue was discussed briefly in the CAISO's Straw Proposal dated April 14, 2011.) For example, could assumptions be made about generation profiles and project size relative to peak load that could allow a smaller solar project to be presumed Deliverable? Are there stopgap assumptions that could be used to bridge the near-term IOU needs regarding deliverability in the RAM and the longer-term deliverability certainty that will come as the cluster studies progress? Would it be practical to assign an aggregate deliverability determination to multiple smaller projects such that 90% of their combined output would be initially classified as deliverable, for example?

12. Interconnection Refinements to Accommodate QF conversions, Repowering, Behind the meter expansion, Deliverability at the Distribution Level and Fast Track and ISP improvements

a. Application of Path 1-5 processes

Comments:

Clean Coalition has no comment

b. Maintaining Deliverability upon QF Conversion

Comments:

Clean Coalition has no comment

c. Distribution Level Deliverability

Comments:

Clean Coalition has no comment

Work Group 4

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

Comments:

Clean Coalition has no comment

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.

Comments:

Clean Coalition has no comment

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

Comments:

Clean Coalition has no comment

16. Clarify the Interconnection Customers financial responsibility cap and maximum cost responsibility

Comments:

Clean Coalition strongly supports clear and predictable costs and liability determination

17. Consider adding a "posting cap" to the PTO's Interconnection Facilities

Comments:

Clean Coalition has no comment

18. Consider using generating project viability assessment in lieu of financial security postings

Comments:

Clean Coalition is concerned that this may disproportionately impact smaller projects least able to bear the flat rate cost. If this can be addressed, we would not object.

19. Consider limiting interconnection agreement suspension rights

Comments:

Clean Coalition has no comment

20. Consider incorporating PTO abandoned plant recovery into GIP

Comments:

Clean Coalition has no comment

Work Group 5

21. Partial deliverability as an interconnection deliverability status option.

Comments:

As a general principle, the Clean Coalition supports providing options where practical and allowing the market to establish the benefit. Partial deliverability appears to have potential value without imposing additional study costs.

22. Conform technical requirements for small and large generators to a single standard

Comments:

Clean Coalition supports uniformity of standards where this has significant value and does not create inequitable burdens on some generators. We recommend reviewing technical requirements for alignment, however, we urge the ISO to consider avoiding imposing requirements on small generators where the incremental system benefit is not commensurate with the cost. In many cases, greater flexibility can be granted to smaller generators as their individual impact is negligible and their combined impact is mutually offsetting.

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

Comments:

Clean Coalition has no comment

24. Operational partial and interim deliverability assessment

Comments:

Clean Coalition has no comment

25. Post Phase II re-evaluation of the plan of service

Comments:

Clean Coalition has no comment

New Topics since straw proposal

26. Comments on the LS Power issue raised in their comments submitted May 9, 2011 – Re. Conforming ISO tariff language to the FERC 2003-C LGIA on the treatment of transmission credits in Section 11.4 of Appendix Z.

Comments:

Clean Coalition has no comment

27. Correcting a broken link in the tariff regarding the disposition of forfeited funds.

Comments:

Clean Coalition has no comment

Other Comments:

1. If you have other comments, please provide them here.

We expected the GIP 2 to discuss a “For Fee Feasibility Study,” which was discussed during the prior SGIP reform but was tabled by CAISO, with assurances that it would be revisited for future discussion in the next proceeding. We request that CAISO follow through on this previous assurance in this proceeding.