

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 Issues Paper posted on January 17, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due February 7, 2018 by 5:00pm

The issue paper posted on January 17, 2018 and the presentation discussed during the January 24, 2017 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 Transmission Plan Deliverability Allocation

Topic Summary from Issue Paper: “First Solar believes that TPD is an attribute that should be allocated as projects receive PPAs and all interconnection customers should have an opportunity annually to secure available deliverability based on firm criteria. First Solar does not believe it is prudent in the current procurement environment to force projects to convert to energy only when their opportunities for parking are exhausted. First Solar suggests that projects retain the possibility to obtain deliverability

and then only once a project is shortlisted or officially obtains a PPA, are they eligible for a TPD allocation.”

CAISO Position: “The CAISO is concerned that until clear direction exists on whether future procurement of renewables will continue to require FCDS it may be premature to make dramatic changes to the TPD allocation process. Moreover, any suggestion that allows projects the opportunity to remain in the queue and apply for TPD indefinitely raises concerns of issues experienced with the past serial process where projects lingering in the queue adversely affect other active projects and projects new to the queue.”

CalWEA Comment: CalWEA agrees with CAISO that, particularly with the latest reforms on extending the parking duration by an additional year, there is no need to tinker with the TPD allocation process. We suggest that this IPE element be tabled.

4.2 Balance Sheet Financing

Topic Summary from Issue Paper: “The Large-scale Solar Association (“LSA”), EDF-Renewable Energy (“EDF-RE”), and First Solar have all requested the CAISO review the effectiveness of the balance sheet financing option. Other stakeholders expressed concerns that projects using the balance sheet financing election are unfairly receiving deliverability allocations (via the TPD process), and lingering in the queue (via the commercial viability process).

- Stakeholders have recommended the following solutions:
- Change the TPD allocation scoring criteria.
- Eliminate the commercial viability balance sheet financing option altogether.
- Strengthen the balance sheet financing requirements such that projects must provide evidence they are prepared and able to balance sheet finance (examples). ...

“Alternatively, stakeholders have suggested interconnection customers attesting to balance-sheet financing be required to provide one of the following types of documentation:

- An executed loan agreement with a non-affiliated bank,
- Record of significant expenditures on development activities, or
- Record of non-revocable escrow account that can only be used for project development.

“EDF-RE also suggested that, besides providing balance-sheet financing evidence, interconnection customers should be required to provide credible evidence that the developer will proceed with project development without a PPA. EDF-RE suggests a developer could demonstrate intent to proceed without a PPA through a history of constructing similar-size projects in California with balance-sheet financing and no PPA. The CAISO is concerned this could unfairly prohibit less-experienced interconnection customers from participating in the interconnection queue, and seeks additional stakeholder feedback on this suggestion.

“EDF-RE and LSA also suggested that for balance-sheet financed projects the CAISO implement ‘a minimum forfeit amount’ (e.g., \$20,000/MW) for serial-study projects, or an additional posting for

cluster-study projects with low or no Network Upgrades because in both situations, loss of ability to claim partial security release for failure to secure an acceptable PPA has little financial impact.”

CAISO Position: “Due to significant stakeholder interest, the CAISO proposes to include this issue for consideration under the 2018 IPE initiative.”

CalWEA Comment: CalWEA agrees with CAISO that this topic deserves attention, but that attention should be placed in the context of broader benefits for competitive resource development and not the needs of specific projects at specific times. Rather than making dramatic changes to the CAISO approach for dealing with balance sheet financing, CalWEA proposes that CAISO change the TPD allocation scoring criteria and lower the score for balance sheet financing projects from 7 to 5.

4.3 Participating in the Annual Full Capacity Deliverability Option

Topic Summary from Issue Paper: “The annual full capacity deliverability option described in Section 9.2.1 (ii) of Appendix DD of the CAISO tariff allows Option (A) projects that were not allocated TPD in any prior TPD allocation cycle or that converted to energy only and have GIAs in good standing to seek TPD for Partial Capacity Deliverability Status (PCDS) or FCDS for the energy only portion of their projects. Various stakeholders have asked the CAISO to consider changes to the annual option, including additional qualifying criteria, requiring the same TPD retention criteria as for projects that received a TPD allocation by qualifying for the allocation in the TPD allocation process, and the potential for gaming.”

CAISO Position: “The CAISO agrees that the annual capacity deliverability option should be explored and clarified, and as such, proposes this issue be included in the 2018 IPE initiative.”

CalWEA Comment: Rather than trying to add features to the essentially unworkable annual full capacity deliverability allocation process, CAISO should consider allowing any project to re-enter the queue and apply to increase their deliverability level – a GIP feature available from other FERC-jurisdictional RTOs (see our comment on Item 4.5 below). Furthermore, rather than specifying the deliverability level of a project based on a percentage of FCDS/NQC (100% for FCDS projects and x% for PCDS projects), the deliverability level should be allocated to a project in MWs so that one can accurately determine if the project remains FCDS once its NQC changes as a result of capacity-counting process changes at the CPUC.

4.4 Change in Deliverability Status to Energy Only

Topic Summary from Issue Paper: “Existing CAISO tariff provisions allow projects to convert from FCDS or PCDS to energy only deliverability status only at certain times during the interconnection process in order to minimize impacts on other projects and the PTOs. A project may convert to energy only deliverability status between Phase I and Phase II studies or immediately following the TPD allocation process (either after the Phase II study or after parking for parked projects). Projects that convert to energy only deliverability status at these times are no longer responsible for deliverability network upgrades costs going forward.”

CAISO Position: “While the CAISO tariff is specific on when a project can convert to energy only deliverability status, it is silent as to whether a project can request energy only deliverability status at other times during the interconnection process and any potential consequences of such conversion. The CAISO is not opposed to considering additional opportunities for projects to convert to energy only deliverability status. However, at a minimum, the CAISO believes that projects should remain responsible for their allocated costs for deliverability network upgrades needed by other projects so that late conversion to energy only status does not have a negative cost impact on the other projects or the PTO. This requirement also would prevent interconnection customers from converting to energy only merely to reduce their interconnection financial security postings before withdrawal.”

CalWEA Comment: CalWEA fully supports all elements of the CAISO’s position for allowing projects to convert to EO status after the currently allowed timeline for conversion to EO status has passed. However, the rules for projects that would convert to EO within the currently allowed timeline should not be changed.

4.5 Energy Only Projects’ Ability to Re-enter the CAISO Queue for Full Capacity

Topic Summary from Issue Paper: “Stakeholders have indicated a desire for the CAISO to provide an additional opportunity for projects to re-enter the queue to obtain deliverability status. LSA has provided feedback that proposes existing interconnection customer projects should have the opportunity to re-enter the interconnection queue to obtain deliverability, or additional deliverability, after they have achieved their commercial operation date. LSA believes that if a project has achieved Commercial Operation Date (COD) then they have demonstrated their viability and should be able to re-enter the queue if they initially received energy only or PCDS.”

CAISO Position: “The CAISO is not opposed to providing additional opportunities to obtain deliverability status; however, at a minimum, the project should remain responsible for their allocated costs for delivery network upgrades needed and should not have a negative cost impact on other projects, PTO’s, or ratepayers.”

CalWEA Comment: As we noted above, it is about time that CAISO allowed projects that have executed their GIAs with Energy Only or Partial Deliverability status and complied with their various interconnection Financial Security postings, whether they have achieved COD or not, to increase their level of deliverability by re-entering the queue for the purpose of increasing their deliverability, among other reasons. The argument that a project will get a refund for Local Deliverability Network Upgrades that benefits only the project is invalid as, per CAISO tariff, these projects would have received the same refund if they triggered the same type of upgrades in their first round in the queue. At the same time, the argument that LDNUs only benefit the project is also invalid unless the state will not be in need of competitively priced RA capacity for the life of the project. Hence, CalWEA proposes that projects that have signed their GIA be allowed to re-enter the queue for the purpose of increasing their level of deliverability.

4.6 Options to Transfer Deliverability

Topic Summary from Issue Paper: “Stakeholders have requested that the CAISO consider clarifying mechanisms to transfer deliverability among generation projects.”

CAISO Position: The CAISO “will clarify the methodology of deliverability transfer under various scenarios. In addition, the CAISO will consider including the deliverability transfer option in the behind the meter capacity expansion under the independent study process.”

CalWEA Comment: CalWEA recommends that CAISO allow for transfer of deliverability among projects that are interconnected at the same POI or interconnected at electrically close POIs (hence, the transfer will have no impact on the deliverability status of other earlier- or later-queued projects) without any analysis. On a more general level, CalWEA also recommends that CAISO allow for transfer of deliverability among projects only if the analysis of such deliverability transfer (performed under an MMA or as part of Reassessment studies associated with the MMA) shows that it has no adverse impact on other later-queued projects. Finally, CalWEA emphatically recommends that CAISO at least allow for transfer of deliverability among different phases of the same project regardless of whether such phases have come about as a result of BTM capacity expansion or other processes.

4.7 Transparency on Availability of Deliverability

Topic Summary from Issue Paper: “First Solar believes that the Business Practice Manual for Generator Interconnection and Deliverability Allocation Procedure (“GIDAP BPM”) may not always reflect current [deliverability assessment and allocation] processes and suggests it should be updated to avoid confusion related to how the clusters are allocated deliverability and how the annual deliverability allocation process is conducted.” “First Solar also believes that interconnection customers have limited information on how much deliverability is available for different areas on the grid. First Solar believes that generators should have more insight into how much deliverability is available at different points of the grid, and how much deliverability is available before the next significant upgrade would be triggered.”

CAISO Position: The CAISO believes that much of the requested information can be deduced from various area interconnection study reports as well as transmission planning reports. At the same time, it understands that, even with all this information available, it could still be difficult for the interconnection customer to have a clear indication where deliverability is still available. This is partly due to the complexity of the methodology. As part of the 2018 IPE, the CAISO will consider improving the reports or creating new mechanisms so deliverability information is more accessible and useful to interested stakeholders.

CalWEA Comment: CalWEA agrees with CAISO’s position on this issue.

4.8 Commercial Viability Criteria – Continuous Compliance Obligation

Topic Summary from Issue Paper: “EDF-RE has suggested the CAISO consider implementing a continuous commercial viability criteria compliance obligation, including during instances where a project makes modifications after it has made an initial commercial viability criteria demonstration but

before the annual review process. This issue is currently under consideration in an open proceeding before FERC.”

CAISO Position: The CAISO may choose to discuss this topic in the 2018 IPE initiative once that proceeding has concluded.

CalWEA Comment: Interconnection customers typically believe that they are already encumbered with filling out too many generation interconnection forms and adding additional obligations to fill out additional forms, or filling out forms more often, may not be warranted. CalWEA recommends that CAISO’s position on this issue be driven based on its impact on the entirety of the generation interconnection process as opposed to the peculiarities of a single case at FERC.

4.9 Interim Deliverability Status

Topic Summary from Issue Paper: “Stakeholders have requested clarification of the CAISO’s interim deliverability status methodology and decisions related to what projects are awarded available deliverability. LSA has requested that CAISO provide documentation of the methodology for determining the availability of interim deliverability. This effort should include discussion of decisions about which projects receive awards of available deliverability, including tradeoffs of using different allocation methodologies, and the possibility of multiple-year interim deliverability status (IDS) awards and/or PCDS awards where sufficient capacity is available.”

CAISO Position: After presenting the methodology and existing reporting mechanisms for interim deliverability calculation and status, the CAISO does not believe that there is an issue here that needs to be addressed in the 2018 IPE.

CalWEA Comment: CalWEA agrees with CAISO’s position on this issue.

4.10 Effective Load Carrying Capacity

Topic Summary from Issue Paper: Stakeholders have requested the ability to contribute their input to the CAISO’s implementation of a new deliverability methodology that would be required in response to the implementation of the CPUC ELCC methodology in 2018 IPE or through a separate initiative. The stakeholder’s concerns focus on how the deliverability methodology will align with the reduction of QC of solar resources under ELCC, and how implementation of a modified deliverability method would potentially impact interconnection requests previously studied under the current methodology and the future ones.

CAISO Position: The CAISO is actively reviewing the deliverability methodology. Because it is a highly complex technical study, the CAISO must evaluate potential modifications and consequences before proposing a new methodology for stakeholder review and input. The CAISO intends for this effort to take its own track, outside of this 2018 IPE initiative. CAISO expects to share the initial results of this effort and seek input from the stakeholders in the 2018-2019 transmission planning cycle.

CalWEA Comment: Whether CAISO performs its study on the level of VERs (Variable Energy Resources) to be used in the on-peak deliverability assessment methodology as part of IPE-2018 or the 2018-2019

transmission planning cycle, it is critical to note that a deliverability assessment is intended to determine whether the transmission system can offer sufficient transmission capacity for a generator to meet its RA capacity obligation and is not a typical transmission reliability study nor a curtailment study. Hence, studying VERs and any generation level above their ELCC values determined by CPUC will force ratepayers to directly or indirectly pay for network upgrades that add no RA capacity value to the system – hence, no RA capacity value to the ratepayers.

4.11 Cancellation or Delay of CAISO Approved Transmission Projects

Topic Summary from Issue Paper: “Stakeholders have requested that CAISO consider explicitly including generator deliverability in decisions to delay or cancel transmission projects that have been approved under the CAISO TPP and in mitigation plans to address these actions, and to provide notice to generation developers of resulting impacts.”

CAISO Position: CAISO notes that it does not cancel a transmission upgrade if the upgrade is required by generation projects active in the interconnection queue. Delays to transmission upgrades could be due to many factors, such as environmental issues in the permitting process, equipment availability or staffing. The CAISO updates transmission project status regularly in both the annual transmission plan report and the cluster interconnection study reports. The CAISO also provides updates directly to the interconnection customers when the upgrade affects the deliverability status of the generation projects. For these reasons, the CAISO does not plan to consider these issues in the 2018 IPE initiative.

CalWEA Comment: CalWEA agrees with CAISO’s position on this issue.

5. Energy Storage

5.1 Distributed Energy Resources

Topic Summary from Issue Paper: “Diversified Energy Regulatory Consulting suggested the CAISO provide clarification regarding interconnection, jurisdictional boundaries, market participation and dispatch, and safety requirements for Distributed Energy Resources (DERs) in this stakeholder initiative.”

CAISO Position: “The CAISO has included most of these issues in the scope of the Energy Storage and Distributed Energy Resources (ESDER) Phase 3 initiative. As such, the CAISO does not believe that these issues should be included in the 2018 IPE initiative.”

CalWEA Comment: CalWEA has no position on this issue at this time.

5.2 Replacing Entire Existing Generator Facilities with Storage

Topic Summary from Issue Paper: “Some interconnection customers have sought to replace the entirety of their project or existing generating facility with storage through the modification process. The BPM for Generator Management (“GM BPM”) provides that projects in the queue may replace a portion of the requested MW with storage, or add storage to the project above the approved project capability provided it does not increase the total output of the generating facility to the grid at any time. For existing generating facilities, the GM BPM allows for a portion of the project capacity to be converted to energy storage.”

CAISO Position: In both instances, the CAISO assumes the non-storage portion of the generating unit is available to charge the storage facility if the grid cannot directly provide power to the energy storage unit when necessary. While there is currently no bright-line test to determine how much capacity can be replaced with storage without substantially changing the electrical characteristics of the generating facility, a whole replacement of the generating facility would constitute such a change. To date, the CAISO has only approved up to 10% conversion to battery from an existing project via the modification process. In addition, as discussed further below, the CAISO has allowed projects to add up to 100% of their original studied capacity to the project but requires an automatic tripping scheme to ensure that the actual capacity delivered to the grid is not greater than the studied interconnection capacity. Because a whole change from the studied project to storage results in changes to the electrical characteristics that were studied, the CAISO cannot permit a replacement of the generating facilities to battery storage through the modification process and the request must go through the cluster study process as a new project. As such, the CAISO does not plan to include this topic in the 2018 IPE initiative.

CalWEA Comment: CalWEA has no position on this issue at this time.

5.3 Deliverability Assessment for Energy Storage Facilities

Topic Summary from Issue Paper: “The California Energy Storage Alliance (CESA) claims that the current deliverability assessments for energy storage is illogical. CESA mistakenly thinks that the deliverability assessments for energy storage include both discharge study under a worst-case dispatch condition and a charging study during peak and off-peak periods. CESA therefore requested that the CAISO re-consider the assessment methodology for energy storage.”

CAISO Position: For energy storage projects requesting FCDS or PCDS, deliverability studies performed under GIDAP will consider only discharge mode in a manner consistent with current CPUC resource adequacy counting rules. It was determined in the 2014 stakeholder process for energy storage interconnection that if an energy storage project wanted specific charging capabilities, such as uninterrupted charging similar to firm load service, it must apply to the interconnecting transmission owner for firm load service. Hence, at this time, the CAISO believes that the issues raised by stakeholders have been addressed through these clarifications and do not require further consideration in the 2018 IPE initiative.

CalWEA Comment: CalWEA has no position on this issue at this time.

6. Generator Interconnection Agreements

6.1 Suspension Notice

Topic Summary from Issue Paper: “The CAISO believes that modifications to the Large Generator Interconnection Agreement (LGIA) are needed to allow for request and approval of a project to suspend. Article 5.16 of the LGIA requires interconnection customer to notify the CAISO and PTO if a project will be suspended. This article is not specific that the request include a start and end date for the suspension. The provisions also do not provide opportunity for the CAISO to approve the terms of the

suspension to ensure that the project is not in breach of the GIA when suspension is requested and ensure that the suspension will not impact other interconnection customers.”

CAISO Position: “The CAISO believes that Article 5.16 should be modified to require any request for suspension include a start and end date, and provide the CAISO the ability to approve the suspension period. The CAISO proposes to include this enhancement in the 2018 IPE initiative.”

CalWEA Comment: While sympathizing with CAISO’s position, CalWEA notes that when an IC determines that it needs to suspend its project for a certain duration, the information that is available to it is rather vague due to the fact that the drivers behind the suspension decision are vague as well. As a result, any information about start and end date for suspension period will likely be highly hypothetical. Hence, CAISO should consider the usefulness of such hypothetical information if it chooses to require it from the IC.

6.2 Affected Participating Transmission Owner

Topic Summary from Issue Paper: “Generating facilities interconnecting to the CAISO controlled grid may affect the transmission system of a PTO in which the point of interconnection is not located. In these instances, the PTO is referred to as an affected PTO. The current GIDAP does not address how the interconnection customer’s financial security postings, cost responsibility, and PTO repayment will be disbursed among the interconnecting and affected PTOs.”

CAISO Position: “CAISO believes that interconnection customers and PTOs would benefit from clarifications to policies regarding financial considerations when interconnection customers must contract with two separate PTOs for the construction of interconnection facilities and network upgrades. CAISO believes that including this documentation in the GIDAP would ensure consistency and transparency for interconnection customers. As such, the CAISO proposes to consider this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA fully support CAISO’s intention to cover this issue in the IPE-2018. However, even more than clarifying financial security postings, cost responsibility, and PTO repayment obligations, CAISO should consider creating a 4-party (or even 4⁺-party) GIA to cover all the interconnecting and affected PTOs as opposed to forcing the IC to negotiate a separate GIA with the interconnecting PTO and CAISO as well a number of Upgrade Facilities Agreements (UFAs) with affected PTOs and the CAISO. As recent experience with parallel negotiation of GIA and UFA indicates to us, the process can readily turn into a nightmare for the IC for reasons such as:

1. Any change in any aspect of the project (say, its COD or equipment) that is identified by parties as needed to be added in the GIA (or UFA) has to be renegotiated separately in the UFA (or GIA) requiring significant resources from all parties in the process;
2. The affected PTO or the interconnecting PTO regularly see the need that the other PTO needs to perform certain responsibilities (say, add an upgrade) before they can deliver on their responsibility. Having no way of correlating their responsibilities, the PTO has no choice but to require the IC to try to obligate the other PTO to deliver on its responsibility in a timely manner. A requirement that ICs have no way of enforcing.

A 4⁺-party GIA will make the responsibilities of each party vis-à-vis all other parties clear in one agreement as well as covering issues related financial security postings, cost responsibility, and PTO repayment obligations.

6.3 Clarify New Resource Interconnection Requirements

Topic Summary from Issue Paper: All new interconnecting projects as well as existing/operating projects (usually going through the QF-conversion process) are required to go through CAISO’s NRI process. “While completion of the NRI process for participation in the CAISO market is necessary, the requirement is not clearly outlined in the CAISO tariff. Based on interaction with prospective interconnection customers, the CAISO has identified there might be confusion on the applicability of the NRI process.”

CAISO Position: CAISO believes necessary, an update is required in Section 25 of the CAISO tariff, outlining the need for all generators seeking CAISO market participation to complete the NRI process. This clarification does not burden generators with additional obligations but seeks to clarify existing ones. The CAISO proposes to include these enhancements in the 2018 IPE initiative.

CalWEA Comment: CalWEA agrees with CAISO’s position on this issue.

6.4 Ride-through Requirements for Inverter-based Generation

Topic Summary from Issue Paper: CAISO is concerned that many asynchronous generators fail to comply with their L(V/F)RT requirements, jeopardizing the reliability of its controlled grid. CAISO seeks to address ride-through requirements and additional requirements to continue injecting current into the fault and return online for inverter-based generation.

CAISO Position: CAISO wants to revisit the exemption of existing and operational asynchronous generating facilities regarding L(V/F)RT, power factor design, SCADA and power system stabilizers. The CAISO seeks to explore this issue with stakeholders in the 2018 IPE process.

CalWEA Comment: While generally agreeing with CAISO’s position that this reliability issue requires attention -- though mainly via enforcement of existing rules on all new generators interconnecting at all voltage levels (including DG resources), CalWEA emphatically urges CAISO not to eliminate these exemptions for a few hundred MWs of existing asynchronous generators. These limited, mostly wind resources have no financial, or at times, technical ability to add these capabilities to existing turbines; hence, imposing these requirements on them would force them to stop operations altogether to the detriment of the ratepayers. Furthermore, no real reliability benefit would come from placing such obligations on a limited and fixed number of generators.

6.5 Affected System Options

Topic Summary from Issue Paper: “LSA has proposed the inclusion of CAISO-system options to mitigate adverse affected system impacts identified in CAISO interconnection studies. This suggestion intends to eliminate or reduce the need to deal with separate affected system study timelines and financial-impact uncertainty.”

CAISO Position: The CAISO interconnection studies do not identify impacts on other electric systems and are not an alternative to affected system studies required by other electric systems. The CAISO does not have access to data required to study other electric systems. CAISO disagrees with the assertion that the CAISO interconnection studies could identify adverse affected system impacts and eliminate or reduce the need for affected system studies. The CAISO believes the current coordination and review provisions allow sufficient opportunity for CAISO to provide support to interconnection customers and affected system operators and does not intend to include this topic in the 2018 IPE initiative.

CalWEA Comment: CalWEA has no position on this issue at this time.

6.6 Modeling Data Requirements

Topic Summary from Issue Paper: “NERC dynamic data validation standards only apply to generating units 75 MW and above. The CAISO estimates that approximately 30% of the generation in the market are not required to meet the NERC/WECC standard yet the CAISO needs the data to ensure both modeling for planning purposes and reliability of the grid. The lack of validated data compromises the accuracy of power system models utilized to predict the ability of the CAISO system to withstand credible contingencies on the CAISO system.”

CAISO Position: “While the section 4.6.4 of the CAISO tariff requires participating generators to provide the capacity and operating characteristics to the CAISO upon request, the tariff is not explicit regarding the data requirements. The CAISO proposes to provide greater clarity regarding this issue in the CAISO tariff and will invite stakeholder comments on this topic.”

CalWEA Comment: CalWEA has no position on this issue at this time.

7. Interconnection Financial Security and Cost Responsibility

7.1 Maximum Cost Responsibility for NUs and Potential NUs

Topic Summary from Issue Paper: Following the Phase II studies, the CAISO performs a reassessment, which it explains. The reassessment may have an impact on a project’s “current cost responsibility” as well as the “maximum cost responsibility”. The use of these similar terms, “maximum cost responsibility” and “current cost responsibility” has created confusion.

CAISO Position: CAISO proposes to clarify and define terms as part of the 2018 IPE initiative.

CalWEA Comment: CalWEA agrees with CAISO position on this issue.

7.2 ITCC for Non-cash Reimbursement Network Upgrade Costs

Topic Summary from Issue Paper: ITCC is the income tax component of contribution that is equal to the estimated tax liability for the interconnection facilities paid to the PTO. California Wind Energy Association (CalWEA) has requested the treatment of ITCC for non-cash reimbursable network upgrade costs (e.g., RNU cost above \$60K/MW) be reviewed in the 2018 IPE initiative.

CAISO Position: “The CAISO has no position on these ITCC related issues and opens the issue to discussion by the participants as to whether it should be further considered in the 2018 IPE initiative.”

CalWEA Comment: In its origin, ITCC is a form of gift tax that a TO may become responsible for whenever an IC pays for some transmission facilities that may become owned by the TO without IC receiving compensation from the TO. Hence, some TOs collect a deposit equivalent to the size of that potential “gift tax” to cover that potential situation. The ITCC should not be charged for the non-cash reimbursable portion of the network upgrade cost. In support of this argument, CalWEA makes two straightforward points:

- Per established FERC policy, PTOs do not collect ITCC for “cash-reimbursable” RNUs related to the high voltage transmission system (e.g., 230 kV and above). Cash reimbursements to the IC for such RNUs are funded by the TAC, for which all LSEs (not the specific PTO) are financially responsible. Non-cash reimbursements in the form of CRRs are also funded by all LSEs. Thus, even though the direct source of the non-cash reimbursement is CAISO through a CRR, as opposed to the PTO via cash, ultimate financial responsibility for the two are the same, warranting identical treatment regarding ITCC.
- In almost all other RTOs, except for ERCOT, the reimbursement of network upgrades funded by an IC is in non-cash form, typically in the form of CRRs or equivalent, provided by the RTO and not the TO. Based on CalWEA’s research, network upgrades in these jurisdictions are not subject to ITCC even though the reimbursement is not in cash form from the RTO; we encourage the CAISO to conduct its own research.

Because the ITCC for any portion of the network upgrades cost presents a major financial burden for all resource developers, particularly for smaller developers, it should be removed. CalWEA strongly recommends that this item be part of IPE-2018 discussions.

7.3 Financial Security Postings and Non-Refundable Amounts

Topic Summary from Issue Paper: “An interconnection customer can withdraw its interconnection request and may recoup a partial amount of the interconnection financial security posted in certain circumstances. First Solar believes CAISO’s current non-refundable amounts are excessive. First Solar has indicated that withdrawals are often due to market conditions outside of the project’s control, not because their project was not viable, and therefore CAISO provisions should not financially punish the projects for needing to withdraw from the queue. ... First Solar and PG&E suggested that CAISO should re-evaluate the distribution of the non-refundable deposit funds. First Solar believes that non-refundable funds are currently disbursed to scheduling coordinators that are not associated with the study process. ... PG&E would like a portion of non-refundable amounts to be assigned to upgrades that are no longer deemed needed due to reassessment but where the PTO has already incurred costs or irrevocably committed funds to the project.”

CAISO Position: “CAISO clarifies that the practice described by First Solar was ended in 2015 and non-refundable funds are now disbursed to Transmission Access Charge ratepayers (loads and exports), and to PTOs to help pay for network upgrades that the withdrawing projects had a cost responsibility for, and are still needed by other projects. The current process was adopted through a prior stakeholder process and has been approved by FERC. This process is integral to the cluster study process and CAISO believes the current approach continues to be appropriate. The CAISO also disagrees that the current

non-refundable amounts are not appropriate. As noted by First Solar, requiring interconnection customers to have ‘skin in the game’ is a legitimate reason to require significant deposits and ensures that serious generators are moving forward to cover associated interconnection facilities and network upgrades costs.” CAISO will consider PG&E’s proposal to obtain some of the non-refundable funds only where the PTO has obtained the notice to proceed and the project subsequently withdraws.

CalWEA Comment: CalWEA recommends that the non-refundable portion of the interconnection financial security deposit should be first assigned towards network upgrades triggered by the same queue cluster of the withdrawing project rather than the general TAC.

7.4 Queue Clearing Measures

Topic Summary from Issue Paper: “LSA proposes that the CAISO consider exploring measures to reduce the number of projects with questionable viability in the interconnection queue. LSA suggestions for potential queue clearing measures included the following recommendations:

1. Commercial Viability Criteria compliance demonstration: There is no particular reason the CAISO should wait until projects seek COD extensions to verify that they are commercially viable. The CAISO could require a periodic review – e.g., every three or five years – to ensure that projects lingering for long periods in the queue are still viable.
2. One-time security-forfeit “holiday”: The CAISO could consider offering a one-time amnesty from interconnection financial security (IFS) non-refundable amounts for projects of at least a certain vintage to withdraw from the queue or convert to energy only without a security penalty, similar to occasional “tax holidays” offered by taxing authorities....”

CAISO Position: “The CAISO believes its current cluster and tariff process should study and retain those projects that intend to move forward as viable projects. While the commercial viability criteria is only used when a project wants to extend beyond the 7/10 years allowed, the CAISO requires projects to provide quarterly detailed reports of the project status so that if a project is not progressing, the CAISO can work with them early as possible to get the project back on track or withdrawn. Therefore since the CAISO is already doing this review we do not believe additional compliance demonstration is warranted.

“The CAISO does not agree that it would be reasonable to offer a “one-time security-non-refundable amounts holiday”. Moreover, the CAISO believes a one-time security forfeiture holiday would impact the PTOs and other interconnection customers without commensurate benefits. As such, the CAISO does not plan to include this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA has no position on this issue at this time.

7.5 Shared SANU and SANU Posting Criteria Issues

Topic Summary from Issue Paper: LSA submitted a GIDAP BPM revision request which proposed to clarify provisions applicable to SANUs triggered by multiple generation projects in a study cluster, including the ability of two or more of those projects to share construction and cost responsibility for those upgrades...” LSA also recommends that the security requirements for each project sharing a SANU

should be proportional to its cost responsibility. LSA does not believe that the tariff should require multiple projects to each post security as though they had 100% cost responsibility for a shared SANU.

CAISO Position: “The CAISO does not believe it is appropriate to build specific criteria related to the PTO and the CAISO agreement on what SANU’s could be built by the Interconnection Customer into the CAISO tariff or GIDAP BPM. Each PTO has unique issues and circumstances that can lead to different determinations on what SANUs an Interconnection Customer should be allowed to build. The CAISO believes the determination should be made on a case-by-case basis, and therefore, proposes that no changes be made to Appendix DD related to SANUs. ... “The CAISO disagrees with LSA’s [second] request because while SANU’s may be a networked facility, the upgrade would not be needed, but for the proposed generating facilities. ... [T]he CAISO does not plan to include this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA recommends that CAISO consider measures to prevent or penalize cost-shifting gaming strategies when sharing the SANU cost among multiple projects and then allow individual projects to post financial security based on their share of the SANU cost. A strategy similar to the allocation of Potential Network Upgrades (those triggered by earlier queued projects) could be effectively used here.

7.6 Clarification on Posting Requirements for PTOs

Topic Summary from Issue Paper: “PG&E proposes that PTOs should not have to post financial security to themselves when they develop new generation projects interconnecting to their own areas. PG&E has noted that the PTOs have already successfully petitioned FERC for case-by-case waivers on this issue, and PG&E is currently seeking a permanent CAISO tariff revision to obviate the need for further waiver filings.”

CAISO Position: “The CAISO agrees with PG&E’s recommendation and believes that such a revision is prudent and the PTOs should not be required to post security to themselves, so long as they supply appropriate non-refundable funds to the CAISO in accordance with the tariff if they withdraw their projects. The CAISO thus plans to include this issue in 2018 IPE.”

CalWEA Comment: CalWEA opposes this special treatment for CAISO utility members especially considering the supposed functional separation between the transmission and supply functions of these utilities. We should continue to let utilities seek waivers at FERC on a case-by-case basis.

7.7 Reliability Network Upgrade Reimbursement Cap

Topic Summary from Issue Paper: “The repayment limit of \$60,000 per MW for RNUs assigned to a project was determined to result in full cash repayment for RNUs for the majority of projects, and to provide an incentive for interconnection customers to avoid siting projects in locations where the costs of RNUs needed to support the interconnections would be inappropriately high. The CAISO has found that the \$60k/MW maximum reimbursement amount for an RNU for funds advanced for network upgrades has the potential to be circumvented in instances that earlier-queued projects withdraw but the upgrades are still needed.”

CAISO Position: The CAISO seeks stakeholder input on methods for resolving this issue in 2018 IPE.

CalWEA Comment: CalWEA recommends against yet another revisiting of network upgrade cost reimbursements. Ultimately, there would be no benefit to ratepayers since:

1. The least-cost, best-fit evaluation in the resource acquisition process ensures that projects with large reimbursable RNUs are selected only if their other attributes (e.g., price) more than makes up for the RNU reimbursement by the ratepayers;
2. Per explanation 1 above, if a RNU reimbursement reduction results in the withdrawal of resources, particularly by smaller developers, fewer projects would participate in the competitive procurements and the consequential reduction in competition will raise resource procurement cost to ratepayers.

7.8 Reimbursement for Network Upgrades

Topic Summary from Issue Paper: “Six Cities proposes that the CAISO consider ‘whether the CAISO’s current allocation methodology for the cost of network upgrades needed to interconnect new (or functionally modified) resources should be revised to allocate such costs to interconnection customers.’”

CAISO Position: “This would essentially change the recovery mechanism for network upgrades from the transmission access charge to some combination of capacity contracts and bids to supply power. More practically, it would make a number of current interconnection procedures infeasible, including meaningful cost caps for interconnection customers and the \$60,000/MW reimbursement cap on RNUs. It would also lead to the creation of numerous new Merchant Transmission Congestion Revenue Rights. While these are not insurmountable obstacles, they would represent a fundamental paradigm shift in the CAISO’s generator interconnection process. At this time, CAISO management is not willing to consider such a shift, and as such does not propose to consider this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA agrees with CAISO position on this issue.

8. Interconnection Request

8.1 Study Agreement

Topic Summary from Issue Paper: The CAISO is evaluating ways to improve efficiencies in the interconnection process. Currently, interconnection customers proposing the development of a generating facility must initiate an interconnection request, which includes a complete application and interconnection study deposit. ...[The] task of tendering such study agreements includes verifying the accuracy of project name, legal entity, authorized signatory, point of interconnection, and deliverability status, all of which is originally obtained from the interconnection request. This task is time consuming for the CAISO and the interconnection customer because two sets of documents (the interconnection request and the study agreement) are required by the CAISO to begin the study process.

CAISO Position: “CAISO staff is considering modifications to incorporate Appendix 3 of Appendix DD, the generation interconnection study process agreement (GIPSA), into the interconnection request so that it is submitted when the interconnection customer submits an interconnection request.²⁰ To achieve this efficiency, the interconnection request form would change slightly and incorporate the documentation required by the GIPSA. CAISO proposes to undertake these enhancements in the 2018 IPE initiative.”

CalWEA Comment: CalWEA agrees with CAISO position on this issue.

8.2 Revisions to Queue Entry Requirements

Topic Summary from Issue Paper: “Westlands Solar Park suggests that the CAISO consider enhancements to queue entry requirement and believes a more stringent information requirements for projects to enter the queue will help ensure that only viable projects seek interconnection. Westlands Solar Park suggests that CAISO consider requiring additional information for projects entering the CAISO queue to demonstrate viability will also discourage the speculative ‘testing’ that occurs by project developers who want to have the CAISO do the study work to determine available transmission capacity without doing their own upfront engineering work before applying. Westlands Solar Park also believes the current CAISO interconnection process requires the CAISO to spend time and money studying all projects versus having this viability screening done in advance.”

CAISO Position: “Consistent with FERC Order 2003 and 2006, and the various CAISO filings on generator interconnection, the CAISO is required to do the study work and any study work be compensated by the interconnection customer requesting the study. CAISO does not pass through any costs for project studies to ratepayers or other CAISO customers. However, it is apparent that many projects may be using the CAISO interconnection study process to do preliminary studies to determine which of several projects are most viable. While this may be a valid concern, in prior proceedings FERC has expressed concern with any barriers to entry to the generation interconnection process, particularly for small projects. The CAISO believes that it is unlikely that it would be feasible to revise the queue entry requirements in any meaningful way that would be an acceptable consensus solution. For this reason, at this time CAISO does not plan to consider this issue in the 2018 IPE initiative. However, CAISO is open to considering additional stakeholder feedback that provides concrete proposals for new interconnection requirements or project screens.”

CalWEA Comment: CalWEA agrees with CAISO position on this issue and will oppose any barriers to entry to the generation interconnection process which will only serve to benefit larger and established developers to the detriment of all other CAISO market participants including ratepayers.

8.3 Master Planned Projects (Open Ended and Serial Projects)

Topic Summary from Issue Paper: “Westlands Solar Park encourages the CAISO to address the unique status of open-ended and serial projects, specifically master planned renewable energy projects such as the Westlands Solar Park. The interconnection process currently has no provisions for evaluating open-ended projects, such as a master planned development that can phase development according to market and customer demands. Westlands believes that the CAISO should recognize these types of master planned projects in the interconnection process because they could be more viable and may

provide the CAISO with a better understanding of when and how much renewable generation will come online in specified areas at specific times.”

CAISO Position: “CAISO clarifies that current GIDAP provisions allow for phased generating facilities, decreases in capacity, and project modifications. CAISO believes these provisions can accommodate most of issues raised by Westlands Solar Park. Although there is no current mechanism to accommodate open-ended projects as suggested, the CAISO does not believe modifications should be made to the study process to accommodate this request because of the significant complexity and planning obstacles that open-ended projects such as the master planned project described above would present. The CAISO is willing to include the issue for further consideration in the 2018 IPE initiative if there is significant stakeholder support.”

CalWEA Comment: CalWEA recommends against using the valuable resources of IPE-2018 to discuss proposals that seem to be tailored to the needs of a specific developer.

8.4 Project Name Publication

Topic Summary from Issue Paper: The project name associated with CAISO queued projects is not published as part of the interconnection queue. Project names are confidential until the GIA is executed and filed with FERC. This can be problematic because the CAISO often interacts with other agencies as a project goes through the interconnection process lifecycle and the inability of the CAISO to coordinate with these agencies based on a project name has caused inefficiencies and confusion. ...The inability of the CAISO to coordinate based on a project name and instead require these agencies to be familiar with the CAISO queue number for projects has caused delays in obtaining needed information for all parties. Moreover, some developers have expressed a desire for project names to be made public so that developers can more easily appraise, purchase, sell, and combine projects. These issues could be addressed if project names were public both before and after GIA execution and filing. CAISO is also working with developers to ensure project names meet the naming guideline criteria currently in place to ensure that dispatchers and operations personnel can identify and easily communicate with each other regarding generators, consistent with NERC reliability standard COM-002. ...Providing project names publicly in the interconnection queue would provide additional insight to those seeking to enter the interconnection queue with a project name that meets our guidelines and what names are already taken.”

CAISO Position: The CAISO proposes to modify the current confidentiality requirements for project names so that in the future they will be publicly available through the interconnection queue report accessible on the CAISO’s public website. CAISO believes this enhancement will help to support coordination with state agencies and to provide additional transparency on project names for developers. The CAISO welcomes additional stakeholder feedback on this proposal in the 2018 IPE initiative.

CalWEA Comment: CalWEA has no object to this CAISO position and proposed process provided that the publication of a project name is made only by permission from the IC.

8.5 Interconnection Request Application Enhancements

Issue: PG&E has noted there has been some confusion with project naming selection during the application process and suggests new requirements to help mitigate confusion and renaming. As identified in Section 5.2 of the GIDAP BPM, the CAISO has established parameters for Interconnection Customers to determine if their proposed name is acceptable. CAISO’s public website on the interconnection request page provides users with the ability to search for previously used names considered prohibited from further use.

PG&E has also suggested that CAISO consider updates to the interconnection request application to improve efficiency. First Solar has suggested that CAISO consider enhancements to require improved standardization of technical data and information required during the application process.

Finally, PG&E has suggested that CAISO consider defining the cut-off date for allowable changes to a project’s technical data or system design specifications prior to the start of the Phase I Study process. The current process provides that the interconnection customer must confirm or specify the point of interconnection within three business days following the scoping meeting. PG&E has concerns that there may be legitimate circumstances that require an interconnection customer to request further changes after that time. The CAISO expects that all project data and project details be ‘locked-in’ following the Scoping Meeting, however, changes beyond that may be allowable, on a limited case-by-case basis, based on the particular circumstance and the ability to accommodate the change before the Phase I study base case development begins.

CAISO Position: The CAISO does not believe that tariff changes are needed at this time. If updates or changes are deemed necessary in the future, CAISO believes they can be resolved through the GIDAP BPM Change Management process.

On the interconnection application, the CAISO is currently working on improvements to the interconnection request application, including the data collected on the Attachment 1 to Appendix A, Generator Data form, to improve accuracy and consistency between all involved stakeholders. The CAISO believes this enhancement does not require tariff changes and can be resolved outside of the 2018 IPE initiative.

Finally, CAISO believes that the current case-by-case consideration provisions are appropriate and no further tariff clarification is necessary at this time. As such, the CAISO does not plan to include this issue in the 2018 IPE initiative.

CalWEA Comment: CalWEA agrees with CAISO. Particularly on the concept of using the scoping meeting to modify some of project’s technical data including its POI, CalWEA wants to emphasize the critical value of the information received as part of the scoping meeting which allows the project application to be optimized, which benefits all parties involved. If anything, CalWEA recommends that the length of the time allowed for the modification of the project interconnection application be increased to five BDs from the current three BDs.

8.6 FERC Order No. 827

Topic Summary from Issue Paper: “Power Applications and Research Systems (PARS) inquired as to whether compliance with Order 827 requirements is needed at the time of the submission of the interconnection application, or after issuing the Phase I or Phase II reports in the cluster process. PARS has suggested that CAISO consider developing a standardized methodology and test on reactive power sufficiency determination to ensure the CAISO and all PTOs are following the same methodology.”

CAISO Position: “The CAISO’s position is that evaluation of the reactive power capability is necessary during the validation of interconnection request submission. Interconnection studies are performed with models that reflect the actual capabilities of the facilities. The CAISO will work in coordination with PTOs to improve how the reactive power capability of projects is evaluated. A consistent approach will be developed outside this initiative prior to the next queue cluster window, with the requirements anticipated to be documented through the BPM change management process. For this reason, the CAISO does not plan to include this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA has no position on this issue at this time.

9. Modifications

9.1 Timing of Technology Changes

Topic Summary from Issue Paper: “The CAISO does not review project’s time-in-queue or commercial viability status for technology/fuel type changes. The CAISO frequently receives requests for technology and fuel changes. Historically, the CAISO has denied many technology and fuel type change requests because they result in changes in electrical characteristics that would cause reliability issues that would have to be mitigated by a network upgrade. Of the requests received, the CAISO estimates at least 25% of active projects in the queue beyond the 7/10 year threshold have changed their fuel type or technology. ... Interconnection customers have reported that observing the highest-queued projects receive approval for changes in technology after being in the queue for over 10 years feels unfair. Stakeholders assert that receiving the change so late in the process grants the project unfair advantage in the interconnection process, and that the act of seeking the change is a tacit admission that the pre-modification project is not commercially viable.”

CAISO Position: “CAISO could consider evaluating a moratorium on technology changes for interconnection customers that have (or are requesting) a commercial operation date beyond the 7/ 10 year threshold anticipated by the CAISO tariff. The CAISO seeks feedback regarding establishment of a cut-off for project technology and fuel type changes.”

CalWEA Comment: CalWEA has no position on this issue at this time.

9.2 Commercial Viability – PPA Path Clarification

Topic Summary from Issue Paper: “CAISO will postpone converting the generating facility to energy-only deliverability status to the later of one year from the day the interconnection customer submits the

modification request, or one year after the interconnection customer exceeds 7/10 year threshold. This grace period provides an opportunity to the interconnection customer for additional time to secure a PPA.”

CAISO Position: “The CAISO proposes to clarify that an interconnection customer’s decision to either a) balance-sheet finance, or b) pursue additional PPA opportunities during the grace period, will be a binary election that must be made during the initial MMA assessment to extend the COD past the 7/10 years. In other words, interconnection customers may not submit balance-sheet attestation affidavits at the close of the grace period as evidence that their project is commercially viable. The reason for this restriction is to ensure that the financial attestation is truly meaningful. ... The CAISO notes that if stakeholders agree and CAISO ultimately concludes that interconnection customers should not be able to obtain or retain deliverability without a PPA (see section 4.2), this proposal would become unnecessary.”

CalWEA Comment: CalWEA has no position on this general issue at this time; however, it is strongly opposed to the suggestion that interconnection customers can only obtain or retain deliverability with a PPA.

9.3 PPA Transparency

Topic Summary from Issue Paper: “Current provisions require interconnection customers demonstrating commercial viability criteria with a PPA to provide a copy of the PPA so the CAISO can verify that the project and the PPA match. This requirement is intend to ensure accurate project-to-PPA data relationships and maintaining a robust and transparent commercial viability process. In order for customers with PPAs to modify the project’s COD, the PPA must have the following in common with the proposed Generating Facility in the GIA:

- the point of interconnection;
- MW capacity (allowing differences in utility defined project size before transformation and line losses);
- fuel type and technology; and
- site location”

CAISO Position: “The CAISO intends to clarify this requirement more explicitly in the tariff in the 2018 IPE initiative. [Footnote:] The PPA-to-GIA relationship may be many-to-one. However, a PPA cannot be used to support deliverability for more than the capacity specified in the PPA. Interconnection customers are free to redact sensitive financial data. Interconnection customers are not required to provide PPAs to the PTO, and the CAISO does not share the PPA with the PTO. The CAISO only positively affirms with the PTO that the customer has indeed met commercial viability criteria.”

CalWEA Comment: CalWEA agrees with the CAISO’s position on this issue.

9.4 Increase Repowering and Serial Re-Study Deposit

Topic Summary from Issue Paper: “CAISO has consistently observed that the current \$10,000 study deposit for repowering and restudy of serial projects has become significantly insufficient for covering the cost of the study process. While the amount varies depending upon the changes an existing

generating unit proposes in the repowering or restudy, the CAISO has observed that these costs may vary between \$7,000 and \$54,000. If the initial deposit is insufficient to cover the full study costs then the study report could be delayed pending posting of additional funds. If a repowering or serial project is ultimately revenue insufficient it requires additional work for accounting to recover the necessary funds and results in the project being deemed not in good standing. If a project is not in good standing due to insufficient funds, the CAISO will stop all work on the project until the project has posted additional funds to cover the deficiency.”

CAISO Position: The CAISO proposes to increase the study deposit for repowering and restudy of serial projects to \$50,000. Because this issue is relatively straightforward, the CAISO proposes to include it in the 2018 IPE initiative and believes that it may be resolved on an expedited basis.

CalWEA Comment: CalWEA generally agrees with the CAISO on this issue. However, we recommend that the repower deposit be raised to a median historical cost number (~\$25,000) instead of the maximum historical cost number (\$50,000).

9.5 Clarify Measure for Modifications After COD

Topic Summary from Issue Paper: “Interconnection customers frequently struggle to understand the test to determine whether a modification will be approved. Specifically, this confusion may depend on whether the project is in the interconnection process or has already achieved commercial operation. During the interconnection process modifications are generally approved unless they are material, as explained in Section 9.1 above. Existing online generating units may request modifications to their generating facility if the total MW capability of the generating facility and its electrical characteristics do not change. Both requirements are intended to prevent changes that will affect reliability and other projects studied or connected to the grid.”

CAISO Position: “The CAISO believes that these tests should be clarified in the tariff and GIAs therefore CAISO proposes to include this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA agrees with CAISO position on this issue.

9.6 Short Circuit Duty Contribution Criteria for Repower Projects

Topic Summary from Issue Paper: “Changes to existing generators are allowed where they do not increase capacity or substantially change the electrical characteristics of the generator. Under section 12 of the GM BPM, the CAISO considers changes to be substantial if the change would have an adverse reliability impact on the transmission system. Three types of transmission system reliability impacts are evaluated for this purpose: (1) adverse flow impact, (2) short circuit duty impact, and (3) angular or voltage stability impact. The short circuit duty test requires the changes provide the same or reduced short duty circuit of the repowered generating unit as compared with the original generating unit. This framework is also used to evaluate post-COD modification requests. A small increase of short circuit duty would fail the test, even if the system still has a high breaker capacity margin. For modification requests for projects active in the interconnection queue, the CAISO will consider changes to project equipment and transformers to be non-material if the new equipment is substantially similar and does

not cause significant electrical changes, including changes to short circuit duty or reactive support. Evaluating changes to short circuit duty follows the general principle of no adverse impact to later queued generation project and the PTO. If the requested change causes only a small increase of short circuit duty, the modification could be considered non-material if the increase causes no breaker capacity concerns.”

CAISO Position: “CAISO proposes to consider applying more consistent criteria in short circuit duty tests for repower and modification requests. Thresholds such as 100 amps at the nearest network breaker and 20 percent breaker capacity margin could be used in the determination. The CAISO proposes to address these potential enhancements in the 2018 IPE initiative.”

CalWEA Comment: CalWEA agrees with CAISO position on this issue.

9.7 Material Modification for Parked Projects

Topic Summary from Issue Paper: “The CAISO has recently received modification requests for parked projects. The CAISO believes the intent of parking is to remove a project from further obligations, as well as restricting project modification requests, while the project seeks TPD in the next allocation cycle...”

CAISO Position: “The CAISO proposes to consider restricting all work while a project is parked including modification requests. Similar to not working on the GIA while a project is parked, CAISO believes it appropriate to postpone processing any modification requests by parked projects, therefore CAISO will include this issue in the 2018 IPE initiative.”

CalWEA Comment: CalWEA has no position on this issue at this time.

10. Additional Comments

None at this time.