CAISO 2018 Interconnection Process Enhancements
Comments of Westlands Solar Park

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Westlands Solar Park (WSP) appreciates the CAISO considering these comments on the topics to address in the upcoming 2018 Interconnection Process Enhancements. We ask the CAISO to include the following three issues in the scope of the initiative:

Higher Bar to Entry

WSP encourages the CAISO to consider opportunities to create a higher bar for projects to enter the queue that will ensure that only viable projects are seeking interconnection. The CAISO monthly queue reports show that the number of megawatts seeking interconnection in each open window exceeds the amount of renewable generation needed to meet the RPS mandates. We believe there should be more information required for projects entering the CAISO queue to demonstrate they are truly viable and discourage the speculative "testing" that occurs by project developers who want to have the CAISO do the study work on available transmission capacity without doing their own upfront engineering work before applying. The current CAISO interconnection process requires the CAISO to spend time and money studying all projects versus having this viability screening done in advance. The lack of further screening upfront results in transmission upgrades that are costly and won't ever be built to accommodate the number of megawatts seeking to interconnect.

The large number of non-viable projects creates problems later in the process as projects withdraw and change the upgrades needed, deliverability available, and costs allocated to other customers. The CAISO frequently supports policy decisions by stating a need to clear the queue of non-viable projects, but WSP believes it would be more efficient to limit the amount of MW interconnecting by establishing a higher bar or improved transparency about the available capacity at grid interconnection points and what would trigger the next upgrade.

In this way the CAISO can prevent future disruptions to the queue and major, unanticipated changes during reassessment.

WSP is not suggesting that projects be required to put more at risk, but rather that the CAISO could require additional evidence, whether financial or not, to show that that the project is a legitimate project intended to proceed and that the developer is not merely testing the waters. This will result in fewer withdrawals later and fewer dramatic changes during the reassessments. We recognize creating fair and impartial metrics will be a challenge but we believe if this was achieved it would strongly improve the interconnection process for real projects looking to enter the queue.

Financial Security Postings and Forfeitures

WSP also asks the CAISO to address the issue of unjustly high forfeiture amounts required of interconnection customers when they withdraw from the queue. Because it has been the CAISO's practice to allow a large number of generators to enter the queue and then to clear the queue after projects have been extensively studied and posted significant financial security, non-viable projects hesitate to withdraw at an earlier, less disruptive time. The punitive structure in place incentivizes projects to stay in the queue for too long, giving the queue and the reassessments false, or at minimum misleading, information and creating an inaccurate image of transmission plan deliverability available and upgrades required. With lower forfeiture amounts, only projects that are really proceeding to commercial operation will stay in the queue because it will be easier for projects to choose to withdraw after passing certain posting requirements rather than try to hold on and push forward to avoid the high forfeiture amounts. The current disincentive to withdraw because of high forfeiture amounts also runs contrary to the CAISO's desire for a more manageable queue. If the CAISO were to increase the bar for initial interconnection with stricter requirements for participating, there would be even less need and no argument for increasingly punitive forfeitures. The result would be a queue with a higher ratio of viable, legitimate projects and more frequent and more regular earlier withdrawals of projects that cannot proceed due to procurement or development conditions that changed on customers after their initial screen which supported the decision to start the process.

These high forfeiture amounts are especially problematic to renewable projects. Developers of renewable projects are putting up at risk private capital to meet a state-mandated RPS targets. Interconnecting a renewable project should not be such a speculative exercise, given the state's requirements. When the system does not allow projects to move

forward due to surprisingly high interconnection costs or impacts, at no fault of the developer working in a challenging and crowded cluster application process, it is unreasonable to penalize the developers for pursuing state mandated goals so long as certain good faith development screening criteria are met. It is often conditions for which the developer has no responsibility, such as uncertainty in the procurement timing/landscape, as exists now, that cause these projects to be delayed or fail. These developers are thus taking on substantial risk by providing a public service to meet state renewable targets. Without these developers venturing their own capital, the state would not have enough renewable resources in the queue to meet its aggressive goals. These developers should not be penalized so excessively for conditions outside of their control but rather earlier screened in the process.

Master Planned Projects

WSP also encourages the CAISO to address the unique status of master planned renewable energy projects like the Westlands Solar Park. The tariff lacks sufficient flexibility to develop these projects in a smart and efficient way. The interconnection process is meant to handle individual projects but does not have a means for evaluating and accommodating a master planned development that is covered under a programmatic EIR and has the ability to phase development according to market and customer demands. The CAISO needs to recognize these types of master planned projects in the interconnection process because they are more viable, provide the CAISO with a better understanding of when and how much renewable generation will come online, and will result in fewer stranded costs as a result of the utilities being able to plan long term upgrades around it and transmission upgrades in the area serve multiple benefits. Master planned projects should have the flexibility to add to the size of the project as envisioned in the plan and have corresponding approvals built into the interconnection process. With their advanced development structures, these projects already have sophisticated plans for project phasing and can provide the CAISO with specific information on interconnection phases, project phases, and phased dates for commercial operation. As a large part of the interconnection process is dictated by permitting, a programmatic EIR ties these individual queue positions together in a unique way that spans multiple queue clusters. These projects should therefore be studied together.

WSP believes this type of approach should be available to projects that fall into a pre-established CREZ and studied in the annual CPUC portfolios. The CAISO should remove any barriers to planning and developing transmission to these master planned areas to meet the state's RPS goals. California's Renewable Energy Transmission Initiative (RETI) evaluated ideal

locations for renewable development in California in order to identify major upgrades to the electric transmission system. The results from RETI are being used as inputs into the CPUC's Integrated Resource Planning proceeding, which will drive procurement from the IOUs through its System Reference Plan. Projects that are part of a CREZ are almost guaranteed to be built out and should be studied differently. The CAISO should recognize and give priority to streamlining the process for projects that are part of these zones since they have already been deemed valuable by the CPUC. This process in a different form was highly successful in helping the build out of the Tehachapi wind resource area and could similarly be used for other highly supported resource areas in an era where very long-term planning should be encouraged to help meet state mandates, not discouraged.

WSP looks forward to participating in this initiative and appreciates the CAISO's consideration of these issues.