
Addendum to Appendix A – WDT1321

[REDACTED]

[REDACTED]

Addendum #1

Cluster 8 Phase I Final Report

February 22, 2016

This study has been completed in coordination with the California Independent System Operator Corporation (CAISO) per Southern California Edison Company's Wholesale Distribution Access Tariff, Attachment I Generator Interconnection Procedures (GIP)

Project No.	Project Name	No	Date	Document Title	Description of Document
WDT1321	██████████ ██████████	2	2/22/2016	Addendum #1 to Queue Cluster 8 Phase I Appendix A Final Report	The purpose of this report is to publish the written comments provided by the IC to SCE in accordance with the timelines stated per Section 4.5.7 in GIP
WDT1321	██████████ ██████████	1	1/15/2016	Queue Cluster 8 Phase II Appendix A Final Report	Report to disclose results of QC8 Phase I cluster.

Executive Summary

██████████ an Interconnection Customer (IC), received a Queue Cluster 8 Phase I (QC8 Phase I) study report dated January 15, 2016 for its Interconnection Request (IR) to Southern California Edison (SCE) for their proposed ██████████ queue position WDT1321.

Subsequent to the release of the QC8 Phase I report package for the Project dated January 15, 2016, to comply with GIP obligation to IC's written comments on interconnection studies as modified by FERC Order 792, SCE is publishing any written comments submitted by the IC:

- Within ten (10) Business Days of receipt of the QC7 PII report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report; and/or
- Additional comments on the final QC7 Phase II Interconnection Study report up to (3) Business Days following the Results Meeting

This addendum report discloses below the written comments provided by the IC to SCE in accordance with the timelines stated in GIP for QC8 Phase I study report dated January 15, 2016, and the Phase I study report is unaffected by this addendum report

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1. Written comments provided by IC within ten (10) Business Days of receipt of the QC8 PI report.

After a quick look it seems SCE is suggesting a spend of \$9.5MM on corporate environmental and licensing which is about 2/3 of the total cost. Any guidance you have on this would be helpful.

1. Please walk through posting requirements and refund provisions – provide notice timelines from [REDACTED]
 2. In the report, the [REDACTED] is made across [REDACTED] into the facility. In our interconnection application, we showed the [REDACTED] made to the east of us at the end of the driveway into your switchyard. Was there a reason to make the [REDACTED] at [REDACTED] and go across the street instead of in the driveway?
 3. Please provide a detailed breakdown of the following:
 - a. Interconnection Facilities
 - i. Substation
 - ii. Corporate Environmental
 - iii. Licensing
 - b. Distribution Upgrades
 - c. Telecommunications
 4. Please provide more details of the [REDACTED] estimate for project
 5. Are both a [REDACTED] (SCE-owned) and a [REDACTED] ([REDACTED]) required? If not, can the [REDACTED] be used to protect the [REDACTED] If not, please provide justification.
 6. Please provide some details about the proposed [REDACTED] – how would it prevent the [REDACTED] from charging, by tripping them? If by tripping, which breakers would trip? Would the reasons be based on actual system loading or some other factor, what factors?
 7. How the potential cost is impacted by earlier cluster projects dropping or even current cluster projects dropping?
 8. Some idea of how likely the potential ground grid duty concerns are to affect Phase II estimates and what magnitude?
2. Written comments provided by IC three (3) Business Days following the Results Meeting.

We appreciate the in-depth review of our Phase I Report earlier this week and certainly understand the difficulty of managing 50+ interconnection requests simultaneously. Naturally, this creates a limitation of the level of detail you can

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realistically consider in the Phase I study process. Unfortunately, this can lead to results that do not accurately reflect the scope and cost of interconnection but, nevertheless, leaves the IC with formal documentation from the DP that significantly impact the proposed project.

In the context of the [REDACTED] (WDT1321), it became clear during our Results Meeting that several key assumptions made by SCE could have easily been addressed in the original IR and, therefore, eliminated the need for SCE to make worst case assumptions on these points.

As an example, SCE assumed they would lead the environmental and licensing effort for the new substation required to tap the [REDACTED] and that additional real estate was required to do so. The IR, however, showed that the new substation would be within the fence line of property controlled by the IC. It would have been relatively simple to check a box on the IR indicating that the IC will provide the real estate and will include environmental review and licensing in its scope therefore relieving SCE of that responsibility. Those items alone represented nearly \$13MM in cost out of the total escalated amount of \$23.6MM. Further, the cost estimate used for the substation itself was more than double the value used in SCE's own per unit cost guide for a [REDACTED] with a [REDACTED]. This included a building to house equipment (MER) when a likely a cabinet would be sufficient. The issue of cost is further exacerbated by the inclusion of a 35% contingency margin. Given the intentionally conservative assumptions as a basis for the estimate, an additional 35% seems well beyond reasonable. Finally, the estimate included a maximum timeline of 80 months! This was largely driven by environmental and permitting by SCE at the CPUC which would be dramatically different given the knowledge that the IC would handle these items in the context of its CEQA licensing ... something more like 24-30 month.

While much of this will be resolved during the Phase II study process, we are still left with the obligation to post security in line with the Phase I Report which amounts to \$3.5MM (15% of \$23.6MM). This creates a difficult situation for any IC whose project would not be viable with a massive interconnection cost but in order to proceed must trust that in the final analysis the cost and timeline will be lower and shorter respectively. As a result, otherwise viable projects will likely drop from the queue in the face of this burden.

