COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) 
ON STAFF PROPOSAL FOR IMPLEMENTING ASSEMBLY BILL 
1923 PROVISIONS RELATED TO INTERCONNECTION RULES FOR 
THE BIOENERGY FEED-IN TARIFF UNDER THE CALIFORNIA 
RENEWABLES PORTFOLIO STANDARD

Dated: October 24, 2017

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COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON STAFF PROPOSAL FOR IMPLEMENTING ASSEMBLY BILL 1923 PROVISIONS RELATED TO INTERCONNECTION RULES FOR THE BIOENERGY FEED-IN TARIFF UNDER THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD

Pacific Gas and Electric Company (“PG&E”) hereby submits comments on a staff proposal to modify California’s Bioenergy Market Adjusting Tariff (“BioMAT”) program in accordance with Assembly Bill (“AB”) 1923, which amends Pub. Util. Code Section 399.20(b). In general, PG&E agrees with the proposed changes to the BioMAT program, as a means of implementing AB 1923. Within the comments, PG&E provides answers and clarifications to the questions posed by the California Public Utilities Commission (“Commission” or “CPUC”).

Pursuant to the Administrative Law Judge Ruling Requesting Comment, dated October 4, 2017, PG&E responds as follows:

1. Existing Transmission Line Definition
   a. Other Definitions

   In addition to being “existing as of the Program Period Participation Request application submittal date,” the definition of “existing” transmission line should require that the transmission line be both built and operational. Including “built and operational” within the definition of “existing” will further ensure that potential BioMAT facilities are utilizing existing, operational infrastructure.

   b. Other Conditions

   PG&E recommends that transmission lines are also defined as being, “CAISO controlled,” having a voltage level of 60kV – 500 kV, and PG&E-owned. Both the voltage level and CAISO control are the key differentiators between distribution and transmission lines for PG&E, and are consistent with PG&E’s Electric Rule No. 21 and the Wholesale Distribution
Tariff ("WDT"). It is important to note that the IOUs may have different definitions that delineate their distribution and transmission systems and so it would be appropriate for the IOUs to have differing definitions.

c. Strategically Located Requirement

Section 399.20(b)(3) requires that BioMAT projects be “strategically located and interconnected to the electrical transmission and distribution grid in a manner that optimizes the deliverability of electricity generated at the facility to load centers.” This requirement should apply to projects interconnected to an existing transmission line pursuant to AB 1923, particularly if they are not utilizing an existing interconnection. In the BioMAT tariff, this requirement is upheld by enforcing a reimbursement cap of up to $300,000 on transmission network upgrades. To the extent transmission-interconnection projects are triggering network upgrades, there is no reason to waive this requirement as the cap is intended to incentivize developers to select project locations and interconnections that minimize impacts to the grid. Transmission interconnection costs, much like distribution interconnection, are driven by generator size relative to the existing capacity of the transmission line that is being used. Like distribution-level projects, transmission interconnections require upgrades and, depending on the project, interconnecting to a transmission line may be or may not be less costly than interconnecting to a distribution line. Thus, enforcing the $300,000 cap is essential to maintain some semblance of the original intent of the statute to ensure projects are “strategically located”.

Irrespective of the BioMAT program’s $300,000 cap on transmission network upgrades, all interconnections, regardless of voltage, that are assigned Reliability Network Upgrades (“RNUs”) are subject to a reimbursement cap of $60,000 per MW of interconnected project capacity. RNUs are defined as the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more generating facility (ies) safely and reliably to the CAISO Controlled Grid, which would have not been necessary but for the interconnection of one or more generating facility (ies). Any RNU costs in excess of $60,000 cap are not refundable to the interconnection customer.
2. CAISO Queue/BioMAT Queue/Deposit
   
a. Drop CAISO Queue/Remain in BioMAT Queue

Fuel Resource Category 3 (“Category 3”) facilities already have the flexibility to drop out of the PG&E interconnection queue and maintain a BioMAT queue number, as is explained in the BioMAT Tariff section 4.5.a.¹ PG&E does not see an issue with extending this flexibility to Category 3 facilities in the CAISO queue. It should, however, be made clear that facilities are required to have had a completed study at some point prior to applying to BioMAT, whether it is through a CAISO, Rule 21 or WDT process, as a key eligibility requirement of the program. Projects will need to take the interconnection timeline into account when making the decision to withdraw, particularly if they are studied under the CAISO Cluster process, for which the study process can take over two years to complete.²

b. Deposit

As stated in CPUC Decision 16-10-025, a deposit for Category 3 projects that drop out of an interconnection queue needs to “(1) demonstrate at least some financial commitment to continuing in the BioMAT bidding process; (2) Show that, if the project reenters the interconnection queue, it will have funds for a new initial study.”³ PG&E agrees that a deposit for Category 3 projects interconnecting to existing transmission should be required; however would like to point out that there is no “CAISO Cluster Process System Impact Study” and the cost detailed in the question posed by the Commission appears to mirror PG&E’s Cluster Study Process. For clarification, the CAISO interconnection study process offers a Cluster Study, an Independent Study Process (ISP) and a Fast Track process.⁴ PG&E is assuming the Ruling intended to refer to the CAISO Cluster Process. Of the three options offered by CAISO, the Cluster Study Process is the study offered only once a year and can take more than two years to complete.

The Commission proposed utilizing a CAISO interconnection process as a basis for the deposit amount required for Category 3 projects that drop out of the CAISO queue. PG&E

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¹ PG&E BioMAT Tariff, Section 4.5.a. “…Provided all other requirements are met, Category 3 Projects without an Active Interconnection Study shall remain eligible to participate in the BioMAT queue, provided the Applicant has provided a cash deposit as described in Section 5.2(b) of this Schedule.”


³ CPUC Decision 16-10-025, pg. 22.

supports the Commission’s proposal to utilize a CAISO interconnection process cost to determine the deposit amount. However, given the amount proposed by the Commission can differ wildly dependent on whether the project qualifies under Fast Track or the ISP, PG&E proposes allowing projects pay a deposit dependent on the CAISO interconnection process they intend to pursue. The Fast Track process for CAISO is an option for facilities 5MW or less and thus could be an option for BioMAT projects. However, the application processing fee for the Fast Track is only $500, which does not demonstrate a significant financial commitment and thus should not be utilized as a corresponding BioMAT deposit. If a BioMAT project has passed the CAISO Fast Track screen prior to applying to BioMAT, PG&E proposes the project instead pay the same deposit required for distribution level projects as explained in the BioMAT tariff.\textsuperscript{5} Given there is a probability of projects failing CAISO’s Fast Track screens, projects that need to utilize either the CAISO ISP or the CAISO Cluster process should pay a deposit amount equivalent to either of those processes. The study deposit for both the CAISO ISP and the CAISO Cluster process is $150,000 per project, regardless of size.\textsuperscript{6} The deposit amount for dropping out of the CAISO interconnection queue and remaining in the BioMAT queue for projects that do not pass the CAISO Fast Track screen should also be $150,000. Regardless of deposit amount, all Category 3 facilities interconnecting to existing transmission lines should provide the deposit to the Buyer at the time it leaves the interconnection queue while remaining in the BioMAT queue. Per the existing BioMAT tariff rules for distribution-interconnected projects, the deposit should be refunded to the project applicant when the project signs a BioMAT PPA, less an administration fee. PG&E believes an administration fee should be withheld from the refund for transmission-interconnected Category 3 projects just as it is for distribution-connected Category 3 projects. In CPUC Decision 16-10-025, it was decided that an administration fee of 10% the system impact study fee would be withheld to cover the IOU for administrative costs. PG&E proposes withholding the same amount as set for distribution-level interconnected projects, currently $1,000/MW.

\textsuperscript{5} PG&E BioMAT Tariff, Section 5.2.b “Category 3 Deposit: Applicants submitting PPRs for Category 3 Projects without an Active Interconnection Study as described in Section 4.5(a), or those who subsequently withdraw their Interconnection Study from PG&E’s public wholesale distribution queue after submitting a PPR, must pay a deposit equal to three times the System Impact Study’s Detailed Deposit amount as described in PG&E’s Electric Rule No. 21 Tariff.”

c. **Modifications to BioMAT Program Necessary to Implement 399.20(b)(3)(B)**

PG&E requests a minor modification to Section 4.5(a) of the BioMAT tariff in order to make it clear that Category 3 projects must have obtained a completed interconnection study before applying to BioMAT. CPUC Decision 16-10-025 implemented SB 840 and instructed utilities to “allow developers of Category 3 generation facilities to maintain their eligibility to bid in the BioMAT process once they have met the initial interconnection requirements, even if they do not hold an active position in the interconnection queue”\(^7\). The language in the statute states that Category 3 projects that have an initial interconnection study are “not required to have a pending, active interconnection application to be eligible”\(^8\). As instructed in 16-10-025, the IOUs added language to the BioMAT tariff in order to clarify that, per this Decision, Category 3 projects do not need an “Active Interconnection Study” in order to be eligible. PG&E is proposing the following modification to remove any suggestion that Category 3 projects can apply without ever having obtained a complete interconnection study.

BioMAT Tariff Section 4.5.a: “Provided all other requirements are met, Category 3 Projects that no longer have without an Active Interconnection Study shall remain eligible to participate in the BioMAT queue, provided the Applicant has provided a cash deposit as described in Section 5.2(b) of this Schedule.”

3. **Portions of Tariff and PPA Requiring Revision**

PG&E has included appropriate revisions to the BioMAT Tariff and PPA as an attachment to this pleading.

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\(^7\) CPUC Decision 16-10-025, pg. 2.

\(^8\) Section 399.30(f)(4)(A)
Respectfully submitted,

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Dated: October 24, 2017
Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY
Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development of, California Renewables Portfolio Standard Program

COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON STAFF PROPOSAL FOR IMPLEMENTING ASSEMBLY BILL 1923 PROVISIONS RELATED TO INTERCONNECTION RULES FOR THE BIOENERGY FEED-IN TARIFF UNDER THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD

SUMMARY OF BIOMAT PPA AND TARIFF REDLINES IN RESPONSE TO ALJ RULING ON AB 1923 (TRANSMISSION)
### Summary of BioMAT PPA and Tariff Redlines in response to ALJ Ruling on AB 1923 (Transmission)

#### PPA

<table>
<thead>
<tr>
<th>Cover Sheet B.xvii</th>
<th>[Insert Single Line Diagram] illustrating internal equipment and connections as well as the components for interconnection of the Facility to PG&amp;E’s electric distribution system or Existing PG&amp;E Transmission Line. At minimum, please include information for the following components:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.1.2.2</td>
<td>Subject to Section 1.1.4, if Seller has taken all commercially reasonable actions (including but not limited to Seller’s timely filing of required documents and payment of all applicable fees, and completion of all Electric System Upgrades needed, if any) to have the Project physically interconnected to the Transmission/Distribution Owner’s distribution system or Existing PG&amp;E Transmission Line, but fails to secure any necessary commitments from CAISO or the Transmission/Distribution Owner for such interconnection and upgrades due to delays beyond Seller’s reasonable control (“Transmission Delay”), then the Guaranteed Commercial Operation Date shall be extended six (6) months.</td>
</tr>
<tr>
<td>Appendix A</td>
<td>“Interconnection Point” means the location where the Facility first interconnects with the existing electrical distribution system or Existing PG&amp;E Transmission Line as identified in the Cover Sheet.</td>
</tr>
<tr>
<td>Appendix A</td>
<td>NEW: “Existing PG&amp;E Transmission Line” has the meaning set forth in Section 14 of the BioMAT Tariff.</td>
</tr>
</tbody>
</table>

#### Tariff

| Section 4.1        | Territory: The Project must be physically located within PG&E’s electric service territory and must be interconnected to PG&E’s electric distribution system or to an Existing PG&E Transmission Line. |
| Section 4.5         | Interconnection Study/Strategically Located: An Applicant must have passed the Fast Track screens, passed Supplemental Review, completed a PG&E System Impact Study in the Independent Study Process, completed a PG&E Distribution Group Study Phase 1 Interconnection Study in the Distribution Group Study Process, or completed a PG&E Phase 1 Study in the Cluster Study Process for its Project (Interconnection Study), or complete a CAISO Cluster Study, Independent Study or Fast Track study, or make use of an existing interconnection agreement to the extent permitted by PG&E’s or CAISO’s tariff. |
| Section 4.5.a       | …with the exception of Applicants with Category 3 Projects. Provided all other requirements are met, Category 3 Projects without an Active Interconnection Study shall remain eligible to participate in the BioMAT queue, provided the Applicant has provided a cash deposit as described in Section 5.2(b) of this Schedule. |
### Section 4.5.b

The Project must be interconnected to PG&E’s distribution system or an Existing PG&E Transmission Line, and the Project’s most recent Interconnection Study or Interconnection Agreement must affirmatively support the Project’s ability to interconnect within twenty four (24) months of the execution of the BioMAT power purchase agreement (PPA) Form # 79-1172.

### Section 5.2.b

**Category 3 Deposit**: Applicants submitting PPRs for that are either: (i) distribution-interconnected Category 3 Projects; or (ii) transmission-interconnected Category 3 projects that have passed the CAISO Fast Track screens, and without an Active Interconnection Study as described in Section 4.5(a), or those who subsequently withdraw their Active Interconnection Study from PG&E’s public wholesale distribution queue after submitting a PPR, must pay a deposit equal to three times the System Impact Study’s Detailed Deposit amount as described in PG&E’s Electric Rule No. 21 Tariff. Applicants submitting PPRs for transmission-interconnected projects that received an interconnection study pursuant to the CAISO’s Independent Study Process (“CAISO ISP”) or CAISO Cluster Study Process must pay a deposit equal to the CAISO deposit amount for the CAISO ISP process. In the event the Applicant’s PPR is withdrawn or rejected for both distribution and transmission-interconnected projects, the deposit shall be refunded to the Applicant less an administrative fee of 10% of the System Impact Study’s Detailed Study Deposit amount as described in PG&E’s Electric Rule No. 21 Tariff. In the event the Applicant executes a PPA for the Project, the deposit shall be refunded in its entirety upon the execution of the BioMAT PPA.

### Section 14

**NEW: Existing PG&E Transmission Line**: For the purposes of this Schedule, an existing PG&E transmission line must be PG&E-owned, have a voltage level of 60 kV – 500 kV, be controlled by the CAISO, and must have been built and operational as of the submittal date of an applicant’s PPR.