




2023 Interconnection Process Enhancements: Track 3A Revised Straw Proposal & Track 3B Straw Proposal

July 15, 2024

Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- This collaborative meeting are intended to stimulate open dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.
- If you need technical assistance during the meeting, please send a chat to the event producer

Instructions for raising your hand to ask a question

- Open the Participant and Chat panels from the bottom right.
- If you are connected to audio through your computer  or used the “call me” option, select the raise hand icon located on the bottom of your screen.
 - **Note:** *3 only works if you dialed into the meeting.
 - Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to Yelena Kopylov-Alford or to all panelists.

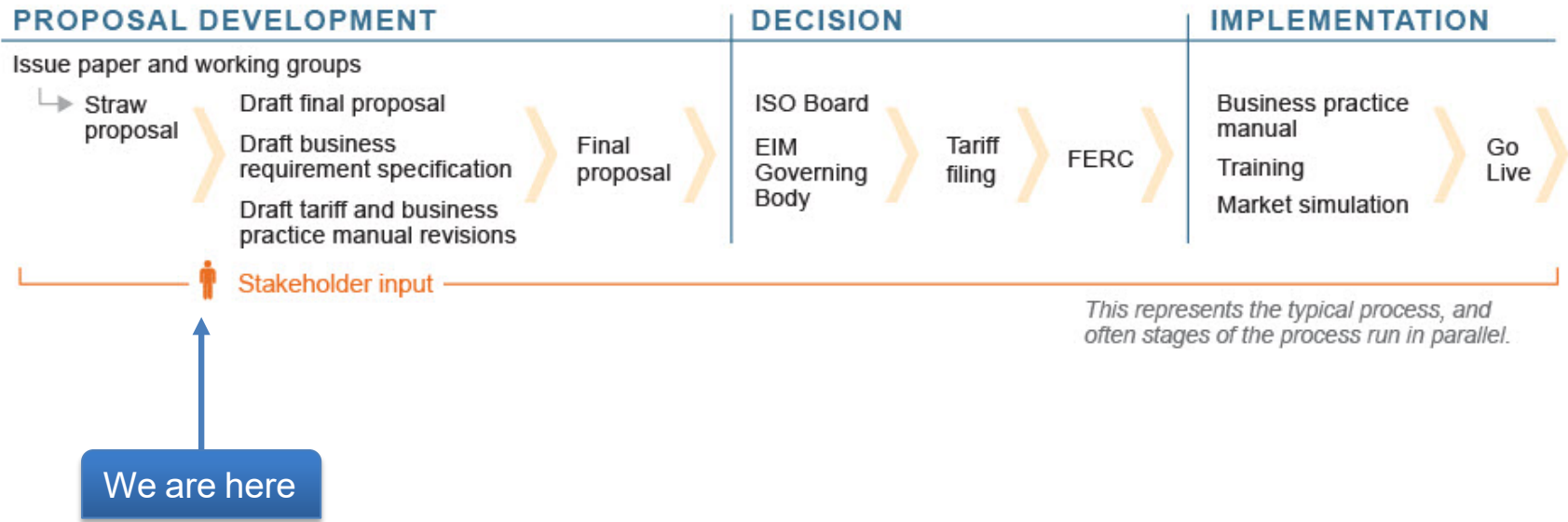
Agenda

Time	Topic	Presenter
9:00 – 9:15	Welcome & introductions	Yelena Kopylov-Alford Danielle Mills
9:15-12:00	Track 3A: Modifications to TPD Allocations	Bob Emmert
12:00-1:00	Lunch	
1:00-2:30	Track 3B: Intra-cluster prioritization	Robert Sparks
2:30-3:45	Track 3B: Interim deliverability	Robert Sparks
3:45 – 4:00	Next steps	Danielle Mills

Meeting objectives

- Answer questions and respond to stakeholder feedback on the revised straw proposal for modifications to the TPD allocation process
- Discuss the straw proposal for intra-cluster prioritization and modifications to priority for interim deliverability.

CAISO Policy Initiative Stakeholder Process



TRACK 3A: MODIFICATIONS TO TPD ALLOCATION PROCESS

Track 3A resumes discussion on modifications to the TPD Allocation process last discussed in Track 2

- Current proposal builds off of the proposal in the Track 2 Draft Final Proposal, taking stakeholder comments into consideration.
- Proposal includes modified scoring criteria using some components from the Track 2 interconnection request intake process scoring criteria.

Existing TPD allocation groups and eligibility requirements

- The CAISO allocates TP Deliverability to the following four groups, A – D,
 - (A) Interconnection Customers that have executed PPAs.
 - (B) Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
 - (C) Interconnection Customers that have achieved Commercial Operation for the capacity seeking TPD.
 - (D) Interconnection Customers electing to be subject to GIDAP Section 8.9.2.3.
 - May not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date.

TPD Allocation Process Modifications

- TPD allocation groups A, B and C are renamed to represent their actual eligibility requirements to provide greater clarity
 - Group A renamed to PPA group
 - Group B renamed to Shortlist group
 - Group C renamed to Commercial Operation group
- Allocation Group D will be discontinued.
 - Group D allocations hinders new projects seeking to interconnect in new clusters by reducing the amount of available transmission capacity used to determine the capacity to be studied in each zone.
 - 29,388 MW allocated in 2024, 14,167 MW to group D (48%)
 - Group D would also reduce the capacity available to a given cluster's projects when they become eligible to seek an allocation.

TPD Allocation Process Modifications (*continued*)

- Project parking will be discontinued.
 - Projects must make any required increases to their commercial readiness deposit following the completion of the cluster studies on the dates required in the ISO's compliance filing for FERC Order No. 2023.
 - Once a project receives its requested TPD allocation, it must accept it or withdraw. It may not decline the allocation to re-seek an allocation the following year.
- Projects will have three consecutive opportunities to seek an allocation, beginning with the affidavit window that closes during the cluster's interconnection facility study (March 15).
 - After the third opportunity to seek an allocation, projects that have not received an allocation will be converted to Energy Only.

TPD Allocation Process Modifications (*continued*)

EO project allocation eligibility:

- Energy Only (EO) projects are only eligible for an allocation through the Commercial Operation group, regardless of how they became EO.
 - This applies to all EO projects in the queue.
 - Will commence with the 2026 TPD allocation year for all projects in the queue.
 - EO projects in clusters prior to cluster 15 will have one additional opportunity during the 2025 TPD allocation year to seek an allocation through the
 - PPA group,
 - Shortlist group, and
 - Commercial Operation group.

TPD Allocation Process Modifications (*continued*)

EO project allocation eligibility:

- Projects that have a Partial Capacity Delivery Status may seek an allocation for the remaining “FCDSR” portion of the project within the project’s three opportunities.
- Energy storage system additions, added through the modification process, will only be permitted to seek a TPD allocation through the Commercial Operation group.
- Generating Facilities that complete a TPD transfer that result in a portion of a project becoming EO may only seek a new allocation through the Commercial Operation group.
- EO generating units in commercial operation seeking a TPD allocation will be required to provide a \$5,000 fee with their TPD affidavit.

TPD Allocation Process Modifications *(continued)*

- GIA tendering, execution, and associated financial requirements are as defined in the ISO's FERC Order No. 2023 compliance filing, irrespective of TPD cycles.
- Beginning in 2025, the "TPD seeking affidavit" due date will be March 15, and the "TPD retention affidavit" due date will be February 1, 45 days prior to the TPD seeking TPD affidavits.
 - The February 1 due date for retention affidavits will allow interconnection customers that are not able to retain their TPD through the retention process to seek a new allocation in the March 15 process for seeking an allocation (if the cluster has not exhausted its three opportunities to seek an allocation).
- Affidavits and substantiating documentation will be assessed based on the documents submitted by the TPD-retention or TPD-seeking affidavit due dates. Documents required in the affidavit processes that are not received by the affidavit due date will not be accepted.

TPD Allocation Process Modifications *(continued)*

Modifications to the TPD scoring criteria:

- The GIDAP BPM scoring methodology used to prioritize projects seeking a TPD allocation is modified. Prioritization determines the order that projects are considered for receiving TPD within each allocation group.

Points (select one per category)	Permitting (existing process)	Power Purchase Agreement Status (PPA group)	Shortlist Status (Shortlist group)	Expansion of a Generation Facility
10	Has Final government permit to construct			
7				Expansion of a facility that is under construction or in operation, where the Gen-Tie already has sufficient surplus capability to accommodate the additional resource
5	Draft Environmental Report w/no significant impact that cannot be mitigated	Has a regulatory approved PPA ¹		Expansion of an operating facility
3	Data adequate	IC is a load- serving entity constructing its project to serve its own Load pursuant to a regulatory requirement	IC is actively negotiating a PPA	Expansion of a generation facility that is currently under construction
1	Applied			
0 (Min. Req.)		Has an executed PPA	No power purchase agreement, included in shortlist	

¹Non-LSEs are not eligible to claim this scoring item.

TPD Allocation Process Modifications (*continued*)

Modifications to the TPD scoring criteria:

- Additional points available from new GIA category, up to a total of 9 points.

Points (additive, for all eligible item)	GIA Related Scoring (tariff references from ISO's FERC Order No. 2023 compliance filing)
2	Has provided to the ISO the required GIA Deposit (Appendix KK, Section 13.3)
2	The Participating TO <u>has</u> received written authorization to proceed with construction from the Interconnection Customer in accordance with Article 5.6.3 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.3 of Appendix LL (LGIA).
3	The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 5.6.4 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.4 of Appendix LL (LGIA).

TPD Allocation Process Modifications (*continued*)

Modifications to the TPD scoring criteria:

- The prioritization of allocations for the Commercial Operation group is proposed to be in the following order:
 1. Projects that demonstrate having a RA contract
 2. Date commercial operation achieved – earlier dates receive higher priority
 3. Distribution Factors (DFAX) – Lower DFAX receive higher priority

TPD Allocation Process Modifications *(continued)*

TPD for Long Lead-Time Resources:

- Criteria for allocating TPD to long lead-time projects will be based on existing ISO tariff.
 - Section 8.9.1 of the GIDAP/RIS will be the basis for reserving and allocating TPD from public policy network upgrades in the TPP to the long lead-time resources.
 - Sections 8.9.1(b) and (c) allow the ISO to reserve TPD capacity for resources outside the ISO and resources internal to the ISO that are designated as resource technologies and in locations that are needed to meet state policy goals.
 - Allows reserving existing capacity and capacity from specific TPP upgrades intended to support resources that meet specific CPUC/Local Regulatory Authority resource requirements.
 - Currently, such resources include offshore wind, out-of-state wind, and geothermal.

TPD Allocation Process Modifications *(continued)*

- The ISO's proposed TPD modifications incentivize projects to come into the queue when there is a realistic ability to secure a PPA or be shortlisted before being converted to EO.
 - However, projects such as offshore wind projects may need to enter the interconnection process prior to any realistic opportunity for procurement of their resource.
 - A decision on the CPUC IRP docket on long lead-time procurement is expected in August. The ISO will review the CPUC ruling when available and determine if it provides any relevant guidance on further TPD allocation modifications for long lead-time resources.

TRACK 3B: ADDITIONAL STREAMLINING INITIATIVES

TRACK 3B: INTRA-CLUSTER PRIORITIZATION OF USE OF EXISTING SCD/RNU HEADROOM

Background

- The Cluster 14 Phase II reports identified several long lead-time short-circuit mitigation projects
- The need for some of these mitigation projects is expected to be eliminated as projects withdraw from the queue
- The in-service dates for the generation projects currently reflect the time it will take to complete the short circuit mitigation
- Some of the generation projects could probably interconnect without triggering the need for the short-circuit mitigation

Proposal

- The ISO proposes an allocation process to allow generators to interconnect up to an amount that would not trigger the need for the long lead-time short-circuit mitigation
- The process could be similar to the TPD allocation process
- The process would only apply to Cluster 14 and earlier clusters

Proposal

- Short circuit duty RNUs identified in the Cluster 14 Phase II report could be considered in this process
 - estimated time to construct of more than four years,
 - and delaying the in-service date of multiple generation projects by more than two years.
- The RNUs to be considered would be identified by the ISO and PTOs and posted on the ISO website

Proposal

- Affected generation projects could then submit affidavits with similar information as those submitted for the TPD allocation process
- The ISO could score those projects, similar to the TPD allocation process, and provide those scores to the PTOs
- PTOs could perform an assessment to allow the highest scoring projects to come online prior to completion of the upgrade

Proposal

- Remaining projects would have to wait for the assigned RNUs to be completed and placed in service
- Cost responsibility for the upgrades would not be affected by this process

TRACK 3B: MODIFICATIONS TO THE PRIORITY FOR AWARDING INTERIM DELIVERABILITY

Background

- When multiple generation projects behind a common transmission constraint become operational before all required delivery network upgrades are in service, available deliverability is allocated on an interim basis for the following operational year
- Currently, earlier queued projects have a higher priority than later queued projects
- An issue arises when, for example, a battery facility is added to an existing queue position through the MMA process and inherits the queue priority of the original project, thereby jumping ahead of a later queued project already established in the interconnection process for years before the battery facility was added

Stakeholder feedback

- This issue was discussed in an earlier BPM change management process
- One stakeholder expressed concern with changing the current priority because the stakeholder had already made business decisions based on the current priority order

Proposal

- The ISO proposes to prioritize interim deliverability allocations based on the date the generating unit received the TPD allocation rather than its interconnection request date
- If the TPD allocation date is the same, then interim deliverability would be allocated by queue position
 - Then by the lowest distribution factor
 - Then by the lowest flow impact

NEXT STEPS

IPE 2023 Track 3 Schedule

Date	Milestone
7/8/2024	Posted Track 3A Revised Straw Proposal & Track 3B Straw Proposal
7/15/2024	Stakeholder workshop on Track 3A Revised Straw Proposal & Track 3B Straw Proposal
7/29/2024	Comments due on Track 3A Revised Straw Proposal & Track 3B Straw Proposal
8/27/2024	Post Track 3A Draft Final Proposal & Track 3B Proposal (specific proposal TBD)
9/3/2024	Stakeholder workshop on Track 3A Draft Final Proposal & Track 3B Proposal
9/17/2024	Comments due on Track 3A Draft Final Proposal & Track 3B Proposal
10/17/2024	Post Track 3A Final Proposal & Track 3B Proposal (specific proposal TBD)
10/24/2024	Stakeholder workshop on Track 3A Final Proposal & Track 3B Proposal
11/7/2024	Comments due on Track 3A Final Proposal & Track 3B Proposal
December, 2024	Board of Governors Meeting

Additional information

- Visit initiative webpage for more information and comments template:
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/interconnection-process-enhancements-2023>
- If you have any questions, please contact isostakeholderaffairs@caiso.com



REGISTRATION IS OPEN

2024 STAKEHOLDER SYMPOSIUM

Welcome reception - Oct. 29
at Kimpton Sawyer Hotel, Sacramento, CA

Symposium program - Oct. 30
SAFE Credit Union Convention Center
Sacramento, CA

Visit the event website: www.reg.eventmobi.com/2024stakeholdersymposium

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