



# 2021 Contract Management (COMA) Enhancements Draft Final Proposal & Draft Tariff Language

**Jason Foster** - Lead Queue Management Specialist, Infrastructure  
Contracts and Management

**Deb Le Vine** - Director, Infrastructure Contracts and Management


Stakeholder Call

October 7, 2021

## Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate 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.

## New instructions for raising your hand to ask a question

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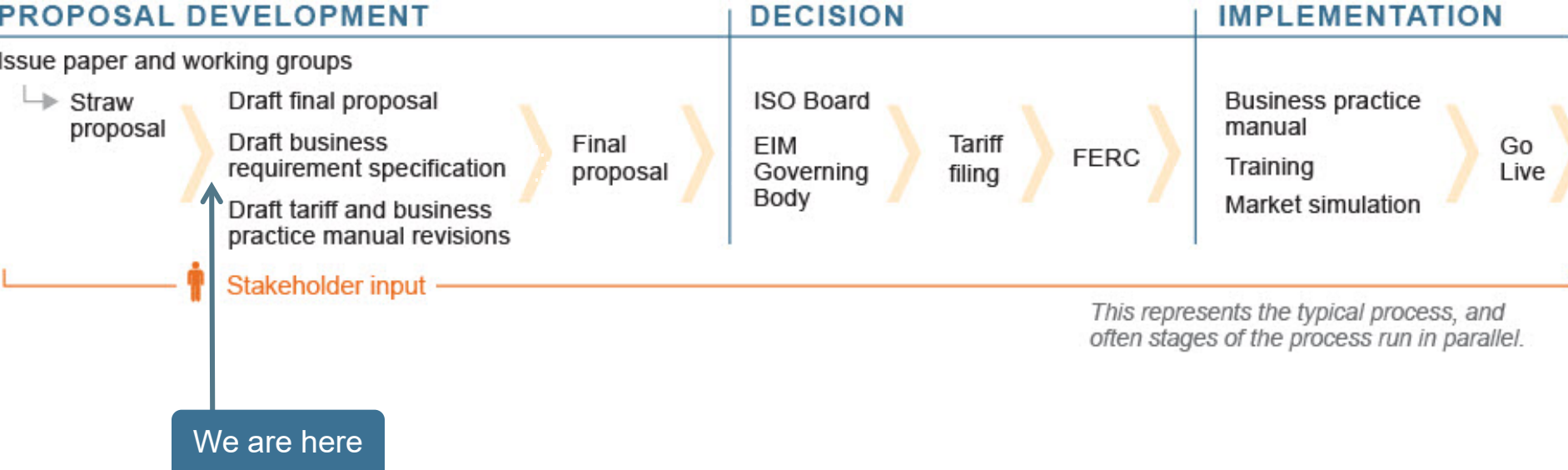
# Agenda

- Welcome and introduction
- CAISO as an Affected System Study Agreement
- Retirements and Repower
  - Retention of interconnection service
  - Repower study plan timeline
  - Repower language clarifications for Section 25
- Modification Adjustments
  - COD alignments with PPA (for TPD Group 3 projects)
  - Project conversions to 100% storage
  - Appendix U clarifications/updates
- Generator Interconnection Study Process Agreement effective date
- Next Steps

**Note:** The Market Quality proposal has been removed from this COMA initiative

**Note:** CAISO has kicked off the 2021 IPE initiative, and will hold a public stakeholder workshop on October 19 to discuss the preliminary issue paper.

# CAISO Policy Initiative Stakeholder Process



# Proposed Initiative Schedule

Date	Milestone
<b>Issue Paper/Straw Proposal</b>	
August 10, 2021	Publish Issue Paper/Straw Proposal
August 17, 2021	Stakeholder meeting
August 31, 2021	Comments due
<b>Draft Final Proposal &amp; Draft Tariff Language</b>	
September 30, 2021	Publish Draft Final Proposal & Draft Tariff Language
→ October 7, 2021	Stakeholder meeting
October 21, 2021	Comments due
<b>Final Proposal</b>	
November 10, 2021	Publish Final Proposal
November 17, 2021	Stakeholder meeting
<b>Board of Governors, Draft BRS (if required), and Tariff Language</b>	
February 2022	Board of Governors
February 2022	FERC Filing
April 2022	FERC Order
2022 (2023 as necessary)	Policy implementation

# CAISO as an Affected System Study Agreement

- CAISO is becoming more impacted by interconnections in neighboring balancing authorities
- CAISO must review such proposed interconnections as an Affected System to ensure there are no system impacts to the CAISO grid and reliability is maintained
- **CAISO Proposal:**
  - Implement the CASSA agreement to provide a structure for study, deposit, and process
- **Stakeholder Comments:**
  - Center for Energy Efficiency and Renewable Technology, Independent Energy Producers Association, LSA and SEIA, and Six Cities suggested CAISO consider reimbursing for network upgrades developed in CAISO controlled Grid
  - SCE suggests not providing reimbursement

# CAISO as an Affected System Study Agreement

- **CAISO proposes:**
  - Intent of introducing this CASSA agreement was to put the study structure and a *pro forma* agreement in place
  - CAISO does not deem this initiative appropriate for determining financial and reimbursement-related issues
    - Suggests stakeholder request the upgrade reimbursement topic be considered in the IPE initiative
- **Tariff Language Updates:**
  - Add Section 14.5 and 14.5.1 to Appendix DD (GIDAP)
  - Include the *CAISO as an Affected System Study Agreement* into Appendix B of the tariff
  - See draft final proposal paper for agreement details



# Retirement and Repower Retention of Interconnection Service

- **Proposal:**
  - Clarify that Interconnection Customers will retain Interconnection Service rights concurrent with deliverability rights - three years from the date of retirement
- **Stakeholder Comments:**
  - SCE and Vistra Corp provided support for the proposal.
  - LSA and SEIA and Six Cities asked for clarification on when the 3-year retention starts and rationale behind the 3-year period

# Retirement and Repower Retention of Interconnection Service

- **CAISO Response:**
  - The 3-year timeframe allows sufficient time for projects to obtain permits, procure equipment, start and/or complete a study process, and begin construction of their repower
  - Section 6.1.3.4 of the BPM for Reliability Requirements outlines the deliverability retention rights for generators
  - Section 12 of the BPM for Generator Management outlines the effective date of a generator's retention period
- **BPM Language Updates:**
  - Through the BPM change-management process, provide clarifying language that a project's retention rights will include interconnection service rights along with deliverability retention

# Retirement and Repower:

## Repower study plan timeline

- The data from the valid repower Interconnection Request is necessary for the creation of the study plan
- The process of reviewing and validating a repower interconnection request and technical data frequently takes longer than the 10 days currently included in the tariff
  - Due to varying factors; including volume of cluster projects, material modification requests, engineering workload, etc.
- **Stakeholder Comments:**
  - EDF-Renewables, LSA and SEIA, Middle River Power, SCE, and Vistra Corp provided consensus that it is unreasonable to remove the 10 day CAISO requirement as it unbounds the CAISO from performing in a reasonable time. Suggest implementing a longer-term response requirement
  - SCE is not opposed to removing the 10 business day requirement

# Retirement and Repower: Repower study plan timeline

- **CAISO Response:**
  - CAISO agrees with concerns raised by Stakeholder regarding removing the 10-day response requirement
  - CAISO proposes implementing a thirty (30) calendar day requirement to tender a draft study plan from the date the IR package is deemed valid
- **Tariff Language Updates:**
  - Modify the first sentence of Section 25.1.2.3 to ensure the CAISO tenders a draft study plan within thirty (30) calendar days from the date the IR package is deemed valid
  - See draft final proposal for details

# Retirement and Repower

## Tariff Section 25 Repower language

- Section 25 of the CAISO tariff applies to:
  - generating units seeking to interconnect to the CAISO Controlled Grid
  - modifications to existing generating units
  - generating units that previously operated and seek to repower their units and retain deliverability
  - and a generating unit currently identified as a qualified facility and converting to a CAISO participating generator
- **CAISO Proposal:**
  - CAISO will clarify and modify the repower-specific tariff language

# Retirement & Repower

## Tariff Section 25 Repower language

- **Stakeholder Comments:**
  - Middle River Power and SCE provided their specific support for this topic
- **Tariff Language Updates:**
  - Add *Section 25.1(f)* and clarify affidavit requirements
    - each existing Generating Unit connected to the CAISO Controlled Grid that proposes to repower its Generating Unit, is subject to Section 25.1.2
  - Revise Section 25.1.2 to include (f) above
    - See draft final proposal paper for specific suggested updates

# Modifications

## Aligning COD with PPA

- TP Deliverability (TPD) allocation Group 3 allows projects to seek a TPD allocation by claiming they are proceeding without a power purchase agreement
  - With certain criteria, limitations, and requirements
- One limitation is projects may not extend their COD beyond the date proposed in their original interconnection request
- CAISO does not prohibit Group 3 projects from subsequently seeking and executing a PPA
- Current tariff expressly exempts Group 3 projects a COD extension to allow the project's COD to align with the PPA
- **CAISO Proposal:**
  - Projects *Proceeding without a PPA* in TPD allocation Group 3 may align their project COD with the executed and regulatory-approved PPA even if its beyond the maximum time in queue

# Modifications

## Aligning COD with PPA

- **Stakeholder Comments:**
  - SCE asked for clarification that an MMA review would be required for this COD adjustment
  - LSA and SEIA support and suggest groups 1 & 2 have same COD alignment
- **CAISO Response**
  - A MMA is required to adjust any in-service, synchronization, or commercial operation milestone dates
  - Group 3 projects are the only allocation group with a restriction regarding adjustment to their COD dates. Group 1 and 2 projects are already provided the milestone alignment opportunity
- **Tariff Language Updates**
  - Add a sentence in section 8.9.2.2 of Appendix DD clarifying the COD alignment rights for Group 3 projects
  - See draft final proposal for specific language



# Modifications

## Allowing projects to convert to 100% storage

- **CAISO Proposal**

- Currently, generating units are prohibited from *completely* converting from one technology to a battery storage resource
- Allow projects to convert to 100% storage using the MMA, Post-COD modification, or repower process
  - Provided the change meets the requirements of a MMA or repower request (i.e. electrical characteristics of the plant remain substantially unchanged and other projects are not impacted)

- **Stakeholder Comments:**

- LSA and SEIA, Middle River Power, SCE, and Vistra Corp all provide their support for this topic.

# Modifications

## Allowing projects to convert to 100% storage

- **CAISO Response**
  - **For asynchronous project conversions to storage**
    - permitted using the MMA, post-COD modification or repowering process
  - **For synchronous project conversions to storage**
    - Because the electrical characteristics can be significantly different when converting synchronous to asynchronous, the CAISO is willing to allow a review of such conversion via the MMA, post-COD modification, or repower
    - If the review determines the electrical characteristics are impacted, the request would be denied as being material or not meeting Section 25.1.2 of the tariff, and the project must proceed through a study process
- **Tariff Language Updates**
  - Include language updates to section 6.7.2.5 of Appendix DD
  - See draft final proposal for details

# Modifications

## Appendix U updates – Modifications

- Section 4.4 of Appendix U provides the rules for serial projects to request modifications prior to achieving their Commercial Operations Date
- With the evolution of the study process section 4.4.4 is now inconsistent with section 4.4.6
- **CAISO Proposes:**
  - To align the serial process to be consistent with existing modification procedures by deleting section 4.4.4 of Appendix U

# Modifications

## Appendix U updates – Modifications

- **Stakeholder Comments:**
  - EDF-Renewables and SCE provided their support for this topic.
- **Tariff Language Updates:**
  - Delete Section 4.4.4 of Appendix U

# Modifications

## Appendix U updates – Restudy Timeline

- Appendix U was predicated on the previous study process: a Feasibility Study, a System Impact Study, and a Facilities Study
- These studies and re-studies are now performed in the Cluster Phase I and II studies and the annual reassessment process
- **CAISO Proposes:**
  - Delete Section 6.4 and 7.6 of Appendix U in their entirety
    - Section 8.5 of Appendix U is still needed due to a FERC settlement agreement and the CAISO will retain this section for that reason

# Modifications

## Appendix U updates – Restudy Timeline

- **Stakeholder Comments:**
  - EDF-Renewables and SCE provided their support for this topic.
- **CAISO Proposes:**
  - Delete Section 6.4 and 7.6 of Appendix U

# Generator Interconnection Study Process Agreement (Appendix 3) Effective Date

- Currently, the GISPA is effective upon *submission* to the CAISO
- In the queue cluster application window, projects must submit a complete package to be included in the cluster study process
- Interconnection request applications deemed incomplete are neither studied nor charged for study costs
  - Refunded 100% of study deposit
  - Until package is deemed complete the agreement is not necessary
- **CAISO Proposes:**
  - To change the effective date of the GISPA to the date the interconnection request package is “deemed complete”.
    - Revise Appendix DD (GIDAP) Section 3.5.1
    - Revise GISPA

# Generator Interconnection Study Process Agreement (Appendix 3) Effective Date

- **Stakeholder Comment:**
  - SCE and Vistra Corp provide their support for this topic
- **Tariff Language Updates:**
  - Revise Appendix DD Section 3.5.1 and GISPA with the following language:
    - This Agreement shall become effective upon the date that the interconnection request package is deemed complete pursuant to Section 3.5.1 of GIDAP.



## Next Steps

- Stakeholder comments due October 21, 2021
- Submit comments through the ISO's commenting tool using the template provided on the initiative webpage: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Contract-management-enhancements-2021>
- For questions, please contact Jason Foster at [jlfoster@caiso.com](mailto:jlfoster@caiso.com)

# ENERGY matters

The California ISO's blog highlights its most recent news releases, and includes information about ISO issues, reports, and initiatives.



- *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news

<http://www.caiso.com/about/Pages/Blog/default.aspx>.

Click image below to read a recent article featured in the blog:



October 4, 2021  
*Markets*

## Developing an Extended Day-Ahead Market framework

By Stacey Crowley, ISO Vice President, External Affairs

The agenda for our upcoming Extended Day-Ahead Market (EDAM) Forum is set and I could not be more excited about the important conversation that will re-launch the public discussion to make EDAM a reality.

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# EXTENDED DAY-AHEAD MARKET FORUM REGISTRATION

October 13, 2021 • 8:30 a.m. - 11:30 a.m.  
Free Virtual Webinar

- **Objective:** Foster a regional discussion driven by the transformational changes and opportunities developing in the west. The forum discussion will focus on how the value of optimization and coordination of grid resources can be unlocked by expanding the ISO day-ahead market to entities within the Western interconnection.
- This forum will include discussion with industry leaders, including utility representatives, policymakers, and stakeholders across the west who will share their perspectives on key concepts and principles critical to the development of an extended day-ahead market framework.
- Visit *Extended Day-Ahead Market Forum* webpage on ISO's website [here](#) to access registration link, agenda and other event details. Registration is requested by October 12, 2021.
- Questions? Send to [ISOSTakeholderAffairs@caiso.com](mailto:ISOSTakeholderAffairs@caiso.com)