



California ISO

2021 Interconnection Process Enhancements (IPE)

Draft Final Proposal – Phase 1: Near-Term
Enhancements
Stakeholder Workshop

March 24, 2022

CAISO Policy Initiative Stakeholder Process



We are here

Agenda

Time	Topic
9:00 – 9:05	Welcome and stakeholder process
9:05 – 9:15	Introduction/Background
9:15 – 10:45	Phase 1 Process Enhancements
10:45 – 11:15	Other Residual Issues
11:15 – 11:50	Other Stakeholder Suggested Proposals
11:50 – 12:00	Next Steps

INTRODUCTION/BACKGROUND

The 2021 IPE will address a number of issues related to enhancing the Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

- Meeting the challenges facing timely, effective, reliable and economic resource and transmission development requires enhancements and improved coordination across all fronts
 - Progress on each front must be considered in the context of improvements occurring in other parallel paths as well
- Accelerated pace of resource procurement and development needed over next 5 and 10 years may not align with current interconnection processes
- Current issues the ISO is aware of and need to be enhanced or adjusted since IPE 2018

Given current supply conditions and unprecedented procurement orders for the next 5 years, a phased approach is needed

- Enhancements to incrementally improve the efficacy of the existing processes, which inform (but do not drive) procurement activities
- Particular focus on current queue overload compounded by Cluster 14
- Broader process reform considerations focusing on aligning the procurement processes with the interconnection process to achieve:
 - Greater efficiencies
 - Use of valuable planning and engineering expertise
 - Reduce uncertainty in development processes

Focus of stakeholder call will be on Phase 1: Near-Term Enhancements Issues

- Phase 1 changes focus on near-term enhancements to the existing interconnection processes that the ISO can implement for Cluster 14 – proposals focus largely on process enhancements
- Phase 2 focuses on resolving longer term modifications and broader reforms to align interconnection processes with procurement activities
 - Proposing to defer proposal development until June 6, 2022
Draft Final Proposal – Phase 2: Long-Term Enhancements
- Additional items requiring state agency coordination and data transparency will be addressed outside of IPE process
 - Data Transparency Stakeholder Workshop to be held on Tuesday April 5, 2022

PHASE 1 PROCESS ENHANCEMENTS

Removing downsizing window and simplifying downsizing request requirements – *proposal remains unchanged*

- Proposing to simplify the downsizing process by removing:
 - The downsizing application window,
 - The unique downsizing deposit, and
 - The downsizing agreement (Appendix HH), among other simplifications
- The downsizing process will be modified to allow downsizing requests to be submitted at any time and be processed through the MMA process
- If the project has network upgrades, the impact will be determined during the reassessment study process
- Modifications will enable interconnection customers to right-size their projects more easily and with less administrative burden for all parties

Emergency generation interconnection process – *proposal remains unchanged*

- The ISO will accept emergency generation study requests only pursuant to:
 - A specific emergency state mandate, and
 - Only for interconnections and additions ***specifically designated by a state agency***, not including counties, municipalities, or CCAs.
- Cannot negatively impact the cost or timing of any queued project unless the impacted project belongs to the same developer.
- Cannot require network upgrades > \$1M, or construction > 6 mos.
- Interconnection service for no more than three years.
- Interim deliverability possible, consistent with Section 4.6 of the GIDAP.

DFP revised site exclusivity requirements combined the requirements for entering Phase II and the deposit

- For Cluster 14, requirement to enter Phase II was modified to allow a deposit in lieu of site exclusivity, but of site exclusivity deposit is at risk
 - Entire amount of site exclusivity deposit is non-refundable if project withdraws after having made its initial IFS posting to move into Phase II studies
- Cluster 15 and beyond:
 - Increasing in the deposit in lieu of site exclusivity to \$250k for small generators and \$500k for large generators
 - 50% of site exclusivity deposit is at risk 31 days after the project's scoping meeting
 - Demonstration of site exclusivity will be required to enter Phase II studies
- In all cases, a demonstration of site exclusivity prior to withdrawal results in 100% of the site exclusivity deposit returned to the interconnection customer
- Modified definition of site exclusivity in ISO Tariff Appendix A will be presented with the proposed changes to Appendix DD
 - Specific requirements, including for offshore wind and BLM sited projects, will be included in the BPM

Revising Transmission Plan Deliverability allocation process – *DFP included modifications to the proposal*

- Proposing to revise the TPD allocation groups:
 - Stakeholders support the simplified & reordered allocation groups 1 – 3
 - Group 1: Active or operational projects demonstrating an executed PPA
 - Group 2: Active or operational projects currently shortlisted for PPA
 - Group 3: Any project that has achieved commercial operation
- New to DFP
 - To address stakeholder concerns over removing current allocation group 3:
 - Proposing a new group 4 – a revised version of the current allocation group 3
 - Allowing any project to be eligible by removing the group 3 required attestation of “Proceeding without a PPA”
 - Modifying the group 3 restrictions – easing when projects can apply, but increasing restrictions on projects selecting group 4
- Additions clarifications
 - PPAs requiring deliverability must be with an offtaker to fulfill its own RA obligation or have a documented contract to sell RA attributes to offtaker with an RA obligation
 - PPAs requiring deliverability must procure the RA capacity for a minimum of 5 years

OTHER RESIDUAL ISSUES

Expanded errors and omissions process – *DFP included modifications to the proposal*

- After a project's due date for its second IFS posting:
 - Any cost responsibility increases associated with an error or omission on the part of the PTO would be the responsibility of the PTO
- After a project has made its first or second IFS posting:
 - If an error/omission is discovered project would have option to accept and move forward with the changes or withdraw
 - Withdrawn project would receive a full refund of its IFS and any unused study deposit when following criteria is met (expanding on Appendix DD Section 6.8.1)
 - An understatement of the Interconnection Customer's total cost responsibility for network upgrades and PTO interconnection facilities by more than 5% or \$1,000,000, whichever is greater; or
 - Results in a delay to the project's earliest achievable ISD or the in service date for any DNU required by the project to achieve its requested deliverability status by more than one year; or
 - The Interconnection Customer has a PPA that was terminated due to the impacts of the error or omission

Clarify definition of Reliability Network Upgrade (RNU)

– *proposal remains unchanged*

- Proposing to clarify the existing policy that a RAS is always considered an RNU
 - Regardless of the study that identified the need for the RNU
 - All RNUs will continue to be included in the RNU cost calculation for RNU costs that are eligible for cash reimbursements

Transferring Participating Transmission Owner (PTO) Wholesale Distribution Access Tariff (WDAT) Projects into ISO Queue – *proposal remains unchanged*

- Proposing to develop tariff language for accepting interconnection request transfers from the PTO's WDAT queue to the ISO queue
- Will work with PTO's to develop specific criteria necessary to ensure that the transfer occurs within an appropriate window of time
- PTO's could revise their WDATs to include reciprocal language about receiving IRs initially submitted to the ISO

Changing Sites and POIs during IR Validation – *proposal remains unchanged*

- Proposing the timing of the process for changing POIs remain consistent with current ISO practice
 - The interconnection customer must confirm its POI within five business days of the project's scoping meeting
 - Any change in POI will be limited to within the same transmission study area as the POI originally requested in its IR
 - Project site changes will only be permitted in conjunction with a permissible change in POI

Should parked projects be allowed to submit MMAs while parked? – *DFP included slight modifications for proposal*

- Proposing to expand the parked MMA proposed to allow downsizing in addition to fuel-type, technology type (e.g. wind to storage, solar to storage, solar to wind, etc.) and POI changes, but the IC must make the second IFS posting when submitting the MMA
- A project parks when the allocated TPD is less than requested or the project does not desire to accept the amount allocated
 - Project can go into parking for up to two years thereby waiting for two additional cycles of TPD allocation before the project either withdraws or moves forward

OTHER STAKEHOLDER SUGGESTED PROPOSALS

Modification to Commercial Viability Criteria – *proposal remains unchanged*

- Proposing to only assess commercial viability criteria if the IC submits the modification request to delay beyond the seven years and not when the PTO triggers a delay
 - The definition of delay, will be based on the party that caused the delay
 - For example: If the PTO cannot get the equipment needed for the project until after the originally anticipated date and it will delay the In-Service Date, then it is a PTO delay
- Standards need to continually change to meet evolving reliability needs, developing technologies and changing NERC standards

Expanding Deliverability Transfer Opportunities – *proposal remains unchanged*

- Proposing to revise following tariff sections to allow deliverability transfers at the same substation and voltage level instead of the exact point of interconnection (i.e. between two breakers) in the substation
 - Section 8.9.9 of Appendix DD
 - Appendix A definition of point of interconnection

Recommendation that after the IR validation, the ISO should be consistent in using RIMS for all documents, details, etc. related to projects – *proposal remains unchanged*

- Proposing all communication handled now exclusively via email be provided on RIMS in addition to being communicated via email and other written correspondence, including:
 - Deliverability allocation results
 - Financial security posting requests
 - MMA documentation (requests, data files and results)
 - Repowering and Limited Operation Study documents (request, study plan and study report)

Adding due dates for curing deficiencies in Appendix B, to avoid delays in starting Phase II studies – *proposal remains unchanged*

- Appendix DD Section 7 states “Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the ISO the completed form of Appendix B”.
- Proposing to add a deadline for the validation of Appendix B’s
 - All Appendix B’s and any associated technical data must be deemed valid by 70 calendar days after the date of the Phase I study report
 - Invalid Appendix B’s would be deemed withdrawn with five business days to cure

Requirements for IRs that proposes to utilize a third party owned gen-tie – *DFP included modifications to the proposal*

- For Cluster 14 projects:
 - Require a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the facilities to enter into the Cluster 14 Phase II study
 - Require an executed gen-tie sharing agreement following the Phase II studies, due at the time the second IFS posting is due
- For Cluster 15 and beyond (no change):
 - Require a letter of intent with the IR submittal
 - Require an executed gen-tie sharing agreement to proceed into the Phase II studies, due at the time the initial IFS posting is due
- For a request for project modification (no change):
 - Gen-tie sharing arrangements requested in conjunction with a request for project modification, the ISO would require an executed gen-tie sharing agreement to proceed with the MMA

NEXT STEPS

Proposed Initiative Schedule

Phase 1	
03/17/22	Publish draft final proposal
03/24/22	Stakeholder conference call on draft final proposal
03/31/22	Stakeholder comments due on draft final proposal
04/05/22	Data Transparency stakeholder workshop
04/11/22	Publish draft tariff language
04/20/22	Stakeholder comments due on draft tariff language
04/21/22	Publish final proposal
04/25/22	Stakeholder conference call on draft tariff language
04/28/22	Stakeholder conference call on final proposal
May 2022	Board of Governors Meeting
Phase 2	
06/07/22	Publish draft final proposal
06/14/22	Stakeholder conference call on draft final proposal
06/28/22	Stakeholder comments due on draft final proposal
07/26/22	Publish draft tariff language and final proposal
08/09/22	Stakeholder comments due on draft tariff language
08/16/22	Stakeholder conference call on final proposal
08/30/22	Stakeholder comments due on final proposal
November 2022	Board of Governors Meeting

**Dates are tentative and subject to change.*

Next Steps

- Please submit comments on the Draft Final Proposal for Phase 1: Near-Term Enhancements and meeting discussion using the commenting tool linked on the initiative webpage
 - Comments are due by end of day March 31, 2022
- Visit initiative webpage for more information: [California ISO - Interconnection process enhancements 2021 \(caiso.com\)](https://www.caiso.com/initiative/interconnection-process-enhancements-2021)
- If you have any questions, please contact isostakeholderaffairs@caiso.com