



2021 Interconnection Process Enhancements (IPE)

Revised Straw Proposal – Phase 2: Near-Term Enhancements

Stakeholder Meeting

June 14, 2022

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.

Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the top right above the chat window. **Note:** #2 only works if you dialed into the meeting.
 - Please remember to state your name and affiliation before making your comment.
- If you need technical assistance during the meeting, please send a chat to the event producer.
- You may also send your question via chat to either Elizandra Casillas or to all panelists.

Agenda

Time	Topic
9:00 – 10:05	Welcome and stakeholder process
10:05 – 10:15	Introduction/Background
10:15 – 11:00	Phase 2 Process Enhancements
11:00 – 11:50	Other Residual Issues
11:50 – 12:00	Next Steps

CAISO Policy Initiative Stakeholder Process



We are here

INTRODUCTION/BACKGROUND

PHASE 2 PROCESS ENHANCEMENTS

3.1 Can the interconnection process and procurement activity better align with transmission system capabilities and policy objectives of renewable generation portfolios developed for planning purposes?

- Based on discussion and feedback, the ISO has concluded that this topic is more appropriately considered in the context of the ISO transmission planning process where policy-driven transmission needs are coordinated with state input.
 - The ISO will seek further stakeholder input on this issue in a separate stakeholder process associated with the transmission planning process enhancements.

3.2 Should a solicitation model be considered for some key locations and constraints not addressed in portfolio development, where commercial interest is the primary driver?

- The ISO will not advance a specific proposal at this time, but will seek further stakeholder input on this issue in a separate stakeholder process associated with the 2021-2022 Transmission Plan.
 - The ISO intends to engage further with industry participants to gauge interest in an open season-type process to access the interest and level of competition that exists for accessing Idaho wind resources.

3.3 Transparency enhancements

- To facilitate additional data transparency, project information the CAISO had considered confidential would need to be considered public
- Two definitions of confidential in the tariff:
 - Section 22: critical infrastructure information
 - GIDAP Section 15.1: all information relating to a Party's technology, research and development, business affairs, and pricing. Confidential Information does not include information that a party can demonstrate is generally available to the public other than as a result of a disclosure by the receiving party.

(3.3) Information that meets the definition of confidential

- PPA status is considered confidential due to pricing information and market sensitive.
- Project “formerly known as” names are considered confidential due to business affairs.
- Site exclusivity documentation and status are considered confidential due to price and commercially sensitivity.

(3.3) Information that could be made public if everyone agrees:

- Percentage of PCDS and IDS
- Phase level data for the project including: gen and fuel type, MW, milestone dates, resource IDs, hybrid or co-located designation, *MWh data for storage projects¹*, and TP Deliverability group and allocation
- Suspension status and timing of a project
- PPA executed and MW
- Construction status
- Project parking status
- Project Affected System status

¹ *The ISO does not currently have this information.*

(3.3) Next steps

- The ISO seeks further feedback on the specific data items requested and whether interconnection customers would be ok making the information public
- Once it is determine what data should be made public, determine if a tariff amendment is required
- Determine the timing and formatting of publishing the data agreed that can be made public as a report service

3.4 Revisiting the criteria for PPAs to be eligible for a Transmission Plan Deliverability (TPD) allocation

- The ISO does not put forth a specific proposal at this time and seeks stakeholder comments on these questions
 - 1a.** Should the allocation of TPD require a PPA that procures the project's RA capacity for some minimum term?
 - 1b.** If yes, what should that minimum term be?
 - 2a.** Should a PPA that is with an entity that does not have an RA obligation be eligible for an allocation if the procuring entity demonstrates that it has a contract to sell the RA capacity procured to a load servicing entity that has an RA obligation?
 - 2b.** If yes, should the procuring entity be given extra time after the project receives an allocation to secure a contract with a load serving entity with an RA obligation?
 - 2c.** If yes, what length of extra time should be provided?

4.1 Should higher fees, deposits, or other criteria be required for submitting an IR?

- The ISO proposes to increase study deposits with more at risk earlier in the process to:
 - encourage developers to submit a reasonable number of IRs for high quality resources; and,
 - disincentivize submittal of a disproportionate amount of IRs that overwhelm resources and slow the cluster study process.
- The proposal includes a tiered deposit approach so as to not disadvantage small developers that submit one or two IRs and do not contribute to the problem.
- Each IR from the same parent company will have the same study deposit required.

4.1 (continued) Should higher fees, deposits, or other criteria be required for submitting an IR?

ISO's proposal for increased study deposit:

Number of interconnection requests submitted per parent company	Study deposit per interconnection request
1-2	\$250,000
3-4	\$375,000
5-7	\$500,000
8-10	\$650,000
11 or more	\$800,000

4.1 (continued) Should higher fees, deposits, or other criteria be required for submitting an IR?

ISO's proposed study deposit refund criteria:

If an interconnection request is withdrawn for any reason, the study deposit is:

- Refundable minus costs until the interconnection request is determined complete.
- 20% non-refundable once the interconnection request is determined complete up until 30 calendar days following the scoping meeting.
- 50% non-refundable after 30 days following the scoping meeting and up to 30 days following the Phase I study results meeting.
- 100% non-refundable after 30 days following the Phase I study results meeting.
- 100% refundable minus costs upon the project reaching commercial operation.

5.1 Alternative cost allocation treatment for network upgrades to local (< 200 KV) systems where the associated generation benefits more than, or other than, the customers within the service area of the PTO owning the facilities,

- Proposing to cap the percentage of interconnection-related network upgrade costs within each PTO's local transmission revenue requirement.
- Will use a cost limiting model similar to the one used for funding location constrained resource interconnection facilities.
- Any costs for low voltage network upgrades greater than a 15% threshold will be financed by interconnection customers without cash reimbursement.
- Will protect local ratepayers from the impact of interconnection-related network upgrades.
- Proposal would apply to all transmission owners equally, avoiding the cost shifts among ratepayers that would result from relying on the regional TAC.

5.2 Policy for ISO as an Affected System – how is the base case determined and how are the required upgrades paid for?

- Proposal for study base case assumptions based on the previously queued projects as of the affected system study agreement execution date is proposed remains, no stakeholder opposition was received
- Proposal to use existing policy to reimburse network upgrade costs is unchanged
 - Consistently applies ISO policy for reliability network upgrades
 - Network upgrades benefit local ratepayers regardless of cause
 - Consistent with Order No. 2003 and FERC’s recent ANOPR on transmission planning and interconnections
 - Five-year repayment term is consistent with current practices and eliminates incurring significant interest costs for longer terms
 - Ensures network upgrades are right-sized to mitigate specific impacts
 - Non-reimbursement by neighboring BAAs is consistent with their own policies

5.3 While the tariff currently allows a project to achieve its COD within seven (7) years if a project cannot prove that it is actually moving forward to permitting and construction, should the ISO have the ability to terminate the GIA earlier than the seven year period?

The ISO asked 5 question with respect to queue management

1. Should projects that are energy-only be allowed to stay in the queue forever?
2. If a project does not reply to queries for information, should there be a time limit as to when the project must reply before a default of the GIA is declared? Currently, the ISO generally does not invoke the default clause if the project does not reply to inquiries, should the ISO invoke this clause for this reason?

(5.3) ISO questions on remaining in the queue (cont.)

3. If a project needs a MMA (e.g., because it has missed a major milestone or its' COD) but will not initiate the process, how long should the ISO wait before invoking the default clause?
4. If the project is not moving to permitting, procurement, and construction of the interconnection facilities or generating facility, should the ISO do anything other than requiring the project to meet the GIA milestones? Stakeholders may offer other suggestions about moving stalled projects through the queue to completion or withdrawal.
5. Any other stakeholder suggestions about moving stalled projects through the queue to completion or withdrawal are welcome

(5.3) ISO Proposal

- The ISO will be more assertive in using Section 6.5.2.1 of the BPM for Generator Management
- EO projects that have not achieved COD after 7 years and contribute to short circuit duty will be terminated
- The ISO will be invoking the breach clause if information is not supplied when requested, if milestone dates are not met, or other terms and conditions of the GIA are not being met

OTHER RESIDUAL ISSUES

6.1 Making it express that when ICs agree to share a gen tie-line, PTO interconnection facilities, and any related IRNUs at a substation across clusters, the shared IRNUs are not subject to GIDAP Section 14.2.2

- The ISO has researched the number of non-conforming GIAs that SCE has filed with FERC due to this issue and has concluded that the number is not sufficient to warrant the tariff changes that SCE is seeking.
- The ISO believes that PTOs are able to protect themselves in these circumstances by aligning their GIA execution, third posting, and commencement of construction activities, as the tariff contemplates.
- This topic will be dropped from the IPE phase 2 initiative.

6.2 Examining the issue of when a developer issues a notice to proceed to the PTO, requesting the PTO/ISO should start planning for all upgrades that are required for a project to attain FCDS, including the upgrades that get triggered by a group of projects.

- With the large quantity of projects, its not practical to start all upgrades when a notice to proceed is received
 - Need to sequence upgrades to meet CODs
 - Need to factor in work force availability
- Interconnection Customers should work with PTOs on the timing of network upgrades for their project

NEXT STEPS

Proposed Initiative Schedule

Date	Development
06/07/22	Publish revised straw proposal
06/14/22	Stakeholder conference call: revised straw proposal
06/28/22	Comments due: revised straw proposal
07/26/22	Publish draft final proposal
08/02/22	Stakeholder conference call: draft final proposal
08/16/22	Comments due: draft final proposal
09/13/22	Publish final proposal and draft tariff language
09/20/22	Stakeholder conference call: final proposal and draft tariff language
10/04/22	Comments due: final proposal and draft tariff language
October 26-27, 2022	Board of Governors Meeting

**Dates are tentative and subject to change.*

Next Steps

- Please submit comments on the revised straw proposal and meeting discussion using the commenting tool linked on the initiative webpage
 - Comments are due by end of day June 28, 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



- The ISO is pleased to be hosting the Stakeholder Symposium in-person at the Safe Credit Union Convention Center in downtown Sacramento on Nov. 9 – 10, 2022
- Registration will be open in June
 - Public notice will be issued once the site is available
- Additional information is available on the Stakeholder Symposium page on ISO's website at:
<http://www.caiso.com/informed/Pages/MeetingsEvents/StakeholderSymposium/Default.aspx>
- Please direct questions to symposiumreg@caiso.com