




2023 Interconnection Process Enhancements: Track 3 Final Proposal

Stakeholder Workshop
February 25, 2025

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 is 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
9:15 – 10:15	Intra-cluster prioritization	Robert Sparks
10:15 – 11:15	Modifications to TPD Allocations	Bob Emmert
11:15 – 11:45	2nd Financial Security Posting for Cluster 14 Parked Projects	Bob Emmert
11:45 – 2:00	Lunch	
2:00 – 3:00	Identification of Long Lead-Time Resources	Danielle Mills
3:00 – 4:00	Wrap-up & Next steps	Danielle Mills

Meeting objectives

- Answer questions and respond to stakeholder feedback on the final proposal.

CAISO Policy Initiative Stakeholder Process



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 or other reliability network upgrades.
- The process could be similar to the TPD allocation process.
- The process would be ongoing and would be available to all Cluster groups in the queue.

Proposal

- All RNUs could be considered in this process
 - estimated time to construct of four or more years, and
 - delaying the in-service date of multiple generation projects by two or more 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 forms with similar information as those submitted for the TPD allocation process.
- The ISO would rank those projects, similar to the TPD allocation process, and provide those rankings to the PTOs.
- PTOs could perform an assessment to allow the highest ranking projects to come online prior to completion of the upgrade.
- If the projected reliability margin is not adequate (e.g. short circuit current exceeds 97%), then a limited operations study would still be required.

Scoring Proposal

This table shows the same scoring data that are proposed for the TPD allocation process.

An additional column has been added to include scoring data based on TPD allocation status and associated deliverability network upgrade status.

For the intra-cluster priority, the highest sum of the scores from each of four columns would establish the priority.

Points (select one per category)	Permitting	Power Purchase Agreement Status	GIA Status	Deliverability Upgrade Status
10	Has Final government permit to construct or Has authorization to construct with a qualifying exemption	Off-taker is procuring the capacity to meet its own RA obligation or the Interconnection Customer is a Load Serving Entity serving its own Load	The Interconnection Customer has provided payment and security to the Participating TO	FCDSA project not waiting for any transmission upgrades needed for deliverability or EO project
7		Has an executed PPA	The Participating TO has received written authorization to proceed with construction from the Interconnection Customer	
5	Draft Environmental Report w/no significant impact that cannot be mitigated			
3	Data adequate		Has an executed GIA	FCDSA project waiting for a transmission upgrade needed for deliverability
1	Applied			

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.

2025 Intra-Cluster Prioritization Process Schedule

Description	Target Date
Post list of upgrades eligible for the process	July 1, 2025
Participating Interconnection customers submit information needed for scoring (new due date for TPD affidavits)	August 1, 2025
Provide ranking of participating projects to the PTOs	October 8, 2025
Inform customers of the results on the study	December 2025
Provide report documenting the study results	January 2026

MODIFICATIONS TO TPD ALLOCATION PROCESS

TPD allocation groups beginning in 2027 allocation cycle

- **PPA group** – 1st priority (formerly group A)
 - Projects with PPA meeting existing PPA eligibility requirements.
- **Commercial Operation group** – 2nd priority (formerly group C).
 - Only for cluster 14 an earlier eligible Energy Only projects that go into commercial operation.
- **Conditional group** – 3rd priority
 - Similar to group D, but without group D restrictions.
 - All projects w/o a PPA will by default be included in the Conditional allocation process with a scoring process determining the order projects receive available TPD.
 - Conditional allocations must be retained in the following TPD allocation cycle with an executed eligible PPA.
 - If not retained, projects can re-seek an allocation as long as the project's cluster is eligible to seek an allocation.
 - Conditional TPD allocated will reduce the available TPD used to determine amount of capacity studied in next cluster.

Beginning in 2027 – projects in cluster 15 and beyond have three opportunities to obtain TPD

- Each cluster will have three consecutive opportunities to seek an allocation.
 - All but cluster 15 will have one additional opportunity during the cluster's Facility Study (the first TPD allocation cycle available to C15 is in 2027, four months after their Facility Study is complete).
 - This opportunity is for projects that are able to obtain a PPA prior to receiving their final & capped costs to interconnect.
 - Provides opportunity for projects able to secure a PPA w/o their Facility Study results (majority of projects will need their Facility Study's cost information to definitively market their project for a PPA).
 - A cluster's 1st opportunity to obtain allocations in all three groups begins with the allocation cycle following the cluster's Facility Study.
- Projects not able to obtain a PPA within their three opportunities will be withdrawn.

No changes to cluster 14 and prior projects until 2027

- The new allocation process begins in 2027 (no TPD cycle in 2026).
- The TPD allocation process for 2025 is unchanged.
 - Maintains the current groups A (PPA), B (shortlist), C (commercial operation), and D (conditional, cluster 14 projects only).
 - The 2025 allocation cycle will be the last opportunity for Energy Only projects to seek an allocation through either the PPA or Shortlist allocation groups.
 - After 2025, cluster 14 and prior Energy Only projects can only seek an allocation in the Commercial Operation group.
- Any cluster 14 project that receives a group D allocation in 2025 must have a PPA in 2027 to retain the allocation.
 - All projects that have sought an allocation through group D will continue to be subject to the group D restrictions.

Modifications to the TPD scoring criteria begin in 2027

The scoring methodology is used to prioritize projects seeking TPD allocations – determining the order that projects receive TPD within each allocation group.

Points (select one per category)	Permitting (unchanged from existing process)	Power Purchase Agreement Status (PPA group only)	GIA Status
10	Has Final government permit to construct or Has authorization to construct with a qualifying exemption		The Interconnection Customer has provided payment and security to the Participating TO
7			The Participating TO has received written authorization to proceed with construction from the Interconnection Customer
5	Draft environmental report indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the approval	Off-taker is procuring the capacity to meet its own RA obligation or the Interconnection Customer is a Load Serving Entity serving its own load	
3	Data adequate		Has provided to the ISO the required GIA Deposit
1	Applied		
0 (Min. Req.)		Has an executed PPA or the Interconnection Customer is a Load Serving Entity serving its own load	

Commercial Operation group allocation prioritization order:

1. Projects that demonstrate having a RA contract.
2. Distribution Factors (DFAX) – Lower DFAX receive higher priority.

TPD Allocation Process Modifications (*continued*)

- Any technology additions (via MMA or Post-COD mod) will be added as Energy Only and may only seek TPD through the Commercial Operation group.
 - Only projects that were studied as FCDS/PCDS or Merchant will be eligible to seek an allocation (projects that entered the queue as EO are not eligible).
 - Current tariff makes Energy Only interconnection requests ineligible to seek an allocation, even for technology additions.
 - Will commence after the 2025 TPD allocation cycle request window closes.

TPD Allocation Process Modifications (*continued*)

- Multi-fuel projects requesting or retaining an allocation with a PPA, the interconnection customer's TPD request must align with the requirements of the PPA (no further requirements are proposed for multi-fuel projects receiving or retaining an allocation with a PPA).
- **Energy Only PPAs:** For tariff provisions that require PPAs, the ISO will not accept PPAs for Energy Only projects where the PPA is contingent on receiving TPD or that has a Resource Adequacy obligation.
 - Any PPA demonstration for any Energy Only project for purposes other than seeking TPD, must specify the procurement is for Energy Only.
 - This will remain effective for all projects in the queue, including Cluster 15 and beyond.
 - **i.e. Group D:** a Group D project that has been converted to Energy Only may not provide a PPA that requires TPD or a RA obligation to remain in the queue, extend its COD, or cure a breach.
 - **i.e. TPD Transfer:** an Energy Only PPA provided to satisfy the right to remain in the queue following a TPD transfer may not have a TPD or RA obligation.

ADJUSTED 2ND INTERCONNECTION FINANCIAL SECURITY POSTING FOR CLUSTER 14 PARKED PROJECTS

Background & proposal

- When a project parks following the TPD allocation process, its 2nd Interconnection Financial Security (IFS) posting due date is extended by 12 months.
 - The current the due date for cluster 14 (C14) parked projects is July 1, 2025.
- An adjustment to the 2nd IFS posting due date for C14 parked projects is proposed due to the change in the 2025 - 2027 TPD allocation cycle schedules, which were made to accommodate cluster 15's study work.
- The ISO proposes to adjust the 2nd IFS posting due date for C14 projects that opted to park in 2024 to May 29, 2026.
 - Roughly sixty calendar days after the TPD allocation results are published on March 31, 2026.
 - This is consistent with past schedules where the due date for the 2nd IFS posting is approximately sixty days after the TPD results are provided.
- All C14 projects will receive an optional 10-month “exempt COD extension” when applicable. Customer COD extensions beyond 10-months will remain subject to CVC and other tariff provisions.

PROCESS FOR RESERVING TPD FOR LONG LEAD-TIME GENERATION AND STORAGE RESOURCES

Special considerations for qualifying long-lead time resources

- Current treatment of long lead-time resources:
 - Give certain long lead-time resources points in the interconnection request scoring process.
 - Reserve TPD for certain long lead-time generation resources (Appendix KK, Section 8.9.1)
- The ISO is not proposing any additional special considerations for long lead-time resources in track 3, and defers this discussion until the next IPE initiative.
- The final proposal clarifies a transparent process for identifying long lead-time resources and reserving TPD through the Transmission Planning Process, in coordination with Local Regulatory Authorities.
- This same process can be used to designate long lead-time resources that receive points in the interconnection request scoring process.

Process for determining qualifying long lead-time resources

1. The transmission planning process will establish standards, specifying what types of resources will qualify to be eligible for reserved TPD, namely, the resources that support the public policies requiring new transmission.
2. Within each recurring transmission planning process initiative, LRAs will have an opportunity to review the standards and provide the ISO with a more explicit list of qualifying resources eligible to compete for reserved TPD.
 1. For example, the ISO expects that the CPUC will provide its list as part of its decision conveying TPP scenarios before the TPP commences.
 2. The complete list of qualifying resources will be subject to stakeholder comment in the TPP.
3. The ISO Board-approved transmission plan will then include a description of the qualifying long lead-time resources for each long lead-time policy upgrade, specific to that transmission plan, and informing future clusters.

Proposed TPD requirements for qualifying long lead-time resources

- The ISO will only reserve transmission capacity consistent with, and not to exceed, what is included in the LRA's resource portfolios, submitted to the ISO in the most recent TPP.
- To the extent that a resource seeks additional deliverability beyond what is in the portfolio, they will have to compete for non-reserved available capacity.
 - Use COD as a tie-breaker for allocating capacity to resources that produce PPAs at the same time and receive equal TPD scores in the process.

Proposed TPD treatment of long lead-time resources

- The ISO will release reserved transmission capacity into the generic RA deliverability pool if specific long-lead-time resources or their associated transmission upgrades identified in the transmission plan do not materialize. This would occur under the following circumstances:
 - formal cancellation of an associated policy-driven transmission project, or
 - the resource is later removed from the LRA's portfolio due to project failure (and is not added to another LRA's portfolio in the same timeframe), with formal written decision by the LRA that originally included the resource in its portfolio.
- Any decision to release reserved TPD would also have to go through the ISO's transmission planning process.

NEXT STEPS

IPE 2023 Track 3 Schedule

Date	Milestone
February 19, 2025	Final proposal posting
February 25, 2025	Stakeholder call on final proposal
March 4, 2025	Comments due on final proposal
March 26-27, 2025	Seek approval from ISO Board of Governors

Additional information

- Please submit comments on the final proposal and meeting discussion using the commenting tool linked on the initiative webpage
 - Comments are due by end of day **March 4, 2025**
- 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

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