



# 2021 Interconnection Process Enhancements (IPE) Revised Straw Proposal – Stakeholder Workshop

February 1, 2022

# CAISO Policy Initiative Stakeholder Process



We are here

# Agenda

Time	Topic
10:00 – 10:05	Welcome and stakeholder process
10:05 – 10:15	Introduction/Background
10:15 – 11:00	Phase 1 Process Enhancements
11:00 – 12:00	Other Residual Issues
12:00 – 1:00	Lunch Break
1:00 – 1:50	Other Stakeholder Suggested Issues
1:50 – 2:00	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 resolve for Cluster 14 and before the summer of 2022
  - 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 next iteration of policy proposal
- Additional items requiring state agency coordination proposing to be addressed outside of IPE process

# 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# Should Transmission Plan Deliverability (TPD) Allocation process revisions be considered? – *proposal remains unchanged*

- Proposing to revise the TPD allocation by:
  - Eliminating allocation group 3
  - Simplifying the allocation groups by combining various groups as follows
    - Group 1: Active or operational projects demonstrating an executed PPA requiring FCDS or the interconnection customer is a LSE serving its own load
    - Group 2: Active or operational projects demonstrating it is currently shortlisted for PPA or actively negotiating a PPA
    - Group 3: Any project that has achieved commercial operation
  - Proposal clarification: Projects must have completed all studies to be eligible
- Will revise the scoring weights within Section 6.2.9.4 of the GIDAP BPM to provide more differentiation between projects for allocation ranking
- Further clarify the requirement related to a PPA requiring deliverability
  - a PPA must be with an offtaker to fulfill its own RA obligation
- Eliminate all TPD retention criteria except that those projects that received an allocation in Group 2
  - Will relieve the administrative burden for both customers and the ISO

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# Should site exclusivity be required to progress into the Phase II study process?

- Site exclusivity will be required to move into the Phase II study process
  - Applies to Cluster 14 Phase II study eligibility and future clusters
  - Documents will be due 10 business days prior to the initial IFS posting due date for each project
- Will help mitigate the overheated queue and allow studies to focus on committed projects
- Proposal provides more flexibility than other ISO/RTOs in obtaining a final site
- ISO seeks Stakeholder input on proposed site exclusivity definition for offshore wind projects in Appendix A

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# Should the ISO develop an emergency generation interconnection process?

- Challenges to define “readiness” criteria that would be acceptable to the earlier-queued projects being leapfrogged
  - Not recommending a proposals for long-term access to be based on this approach
- Recommending a framework for interim deliverability can be provided but only for the duration of the emergency order, not exceeding three years
  - Proposing an emergency generation process to the extent a potential capacity shortfall is determined by the ISO
    - Requires a specific emergency state mandate only for interconnections and additions specifically designated by a state agency, not including counties, municipalities, or CCAs

Issue will be addressed in scope of Phase 1: Long-Term Enhancements

## Previous Phase 2 items deferring proposal development until next iteration of policy proposal or addressing outside of IPE process

- Revised proposal for increasing study and site exclusivity deposits will included in next proposal
- Proposing to develop separate process to promote discussion on two issues that require coordination with state agencies and Transmission Planning Process:
  - Aligning the interconnection process and procurement activity with transmission system capabilities and renewable generation portfolios
  - Consideration of developing a solicitation model for some key locations and constraints not addressed in portfolio development, where commercial interest is the primary driver

# OTHER RESIDUAL ISSUES

## Expanded errors and omissions process to provide criteria and options when changes to network upgrade requirements occur after Financial Security (IFS) postings have been made

- Proposing that any cost responsibility increases associated with an error or omission on the part of the PTO that is discovered after a project's due date for its second IFS posting would be the responsibility of the PTO
- Project would have option to accept and move forward with the changes or withdraw when an error/omission is discovered after a project has made its first or second IFS posting:
  - Withdrawals will receive a full refund of its IFS and any unused study deposit
  - Proposing a cost increase threshold of 10 percent that increases the aggregate of all costs for the project to interconnect, or
  - a minimum of a 12 month delay in the earliest achievable ISD or completion of required DNU's
  - Seeking stakeholder feedback on including the termination of the project's PPA
    - Specific eligibility criteria and appropriate documentation
- Proposal balances the low probability of a detrimental error or omission with the high impact they can pose to interconnection customers and potential offtakers

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# Should parked projects be allowed to submit MMAs while parked?

- Proposing to allow only 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## Previous Phase 2 items deferring proposal development until next iteration of policy proposal

- Will reassess proposal for alternative cost allocation for generator driven network upgrades to local (<200kV) systems
- Continue to explore policy on whether generators interconnecting outside the ISO should be reimbursed for reliability network upgrades they require on the ISO system
  - Proposal remains unchanged
- Continue discussion to help inform proposal to determine if the ISO should have the ability to terminate the GIA earlier than the seven year period

# OTHER STAKEHOLDER SUGGESTED PROPOSALS

## Modification to Commercial Viability Criteria

- 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
- Standards need to continually change to meet evolving reliability needs, developing technologies and changing NERC standards

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

# Expanding Deliverability Transfer Opportunities

- 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

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

- 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)

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## 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

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## Proposed requirements when IR proposes to utilize a third party owned gen-tie or substation

- Proposing to require with the IR submittal – a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the gen-tie or substation
  - Letter must document intent of the parties to negotiate the terms of the sharing agreement
- Proposing to require an executed gen-tie sharing agreement to proceed into the Phase II studies
  - Executed agreement would be due at the time the initial IFS posting is due
- Will be implemented with Cluster 15
- If a gen-tie sharing arrangement is requested in conjunction with a request for project modification, proposing to require an executed gen-tie sharing agreement to proceed with the MMA
  - Will be implemented upon FERC approval of the IPE tariff changes

Issue will be addressed in scope of Phase 1: Near-Term Enhancements

## Previous Phase 2 items deferring proposal development until next iteration of policy proposal or addressing outside of IPE process

- Seeking Stakeholder input for continue discussion to inform proposal on making it explicit that when ICs agree to share a gen tie-line, PTO interconnection facilities, and any related IRNUs across clusters, the shared facilities are not subject to GIDAP Section 14.2.2
- Broad support for improving transmission grid data transparency
  - Proposing to host separate stakeholder working group to determine data being requested, the format, and frequency
  - Process will not require tariff changes or BOG approval

# Items to be removed from the initiative scope

- Network Upgrade Re-Stacking
  - Sequencing of Network Upgrade construction is performed by the PTO and is not something the ISO can do
    - The ISO proposes to remove this topic from IPE
- Re-examining the ISP electrical independence test
  - ISO believes that modifying the current ISP EIT criteria could adversely impact the process and other projects
  - Under the current criteria projects connecting to a good location will pass the EIT
    - The ISO proposes to remove this topic from IPE

# NEXT STEPS

# Proposed Initiative Schedule

Date	Event
09/30/21	Publish preliminary issue paper
10/08/21	Stakeholder suggestions due
10/19/21	Stakeholder workshop on preliminary issue paper
10/28/21	Stakeholder comments due on preliminary issue paper and workshop
12/06/21	Publish issue paper/straw proposal
12/13/21	Stakeholder conference call on issue paper/straw proposal
01/03/22	Stakeholder comments due on issue paper/straw proposal
01/25/22	Publish revised straw proposal
02/01/22	Stakeholder conference call on revised straw proposal
02/15/22	Stakeholder comments due on revised straw proposal
<b>Phase 1</b>	
03/10/22	Publish draft final proposal
03/17/22	Stakeholder conference call on draft final proposal
03/31/22	Stakeholder comments due on draft final proposal
04/11/22	Publish draft tariff language
04/21/22	Publish final proposal
04/25/22	Stakeholder comments due on draft tariff language
04/28/22	Stakeholder conference call on final proposal
05/12/22	Stakeholder comments due on final proposal
May 2022	Board of Governors Meeting
<b>Phase 2</b>	
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 revised straw proposal and meeting discussion using the commenting tool linked on the initiative webpage
  - Comments are due by end of day February 15, 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](mailto:isostakeholderaffairs@caiso.com)

# APPENDIX – IPE TOPICS PER PHASE 1 & 2

# Summary of topics to be included for Phase 1: Near-Term Enhancements (1 of 2)

- Removing downsizing window and simplifying downsizing request requirements
- Should Transmission Plan Deliverability (TPD) Allocation process revisions be considered?
- Should the ISO develop an emergency generation interconnection process?
- Should site exclusivity be required to progress into the Phase II study process?
- Expanded errors and omissions process to provide criteria and options when changes to network upgrade requirements occur after Financial Security (IFS) postings have been made
- Clarify definition of Reliability Network Upgrade (RNU)
- Transferring Participating Transmission Owner (TO) Wholesale Distribution Access Tariff (WDAT) Projects into ISO Queue
- Changing Sites and POIs during IR Validation

# Summary of topics to be included for Phase 1: Near-Term Enhancements (2 of 2)

- Should parked projects be allowed to submit MMAs while parked?
- Adding due dates for curing deficiencies in Appendix B, to avoid delays in starting Phase II studies
- Modification to Commercial Viability Criteria
- Expanding Deliverability Transfer Opportunities
- Requirement that any IR that proposes to utilize a third party owned gen-tie must provide documentation as part of their IR that demonstrates that the gen-tie owner has agreed to the project using its gen-tie
- Recommendation that after the IR validation, the ISO should be consistent in using RIMS for all documents, details, etc. related to projects

# Summary of topics to be included for Phase 2: Long-Term Enhancements

- Should higher fees, deposits, or other criteria be required for submitting an IR?
- Should the ISO re-consider an 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?
- Policy for ISO as an Affected System – how is the base case determined and how are the required upgrades paid for?
- 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?
- Making it explicit that when ICs agree to share a gen tie-line, PTO Interconnection Facilities, and any related IRNUs at the substation across clusters, the shared IRNUs are not subject to GIDAP Section 14.2.2