



Decision on Interconnection Process Enhancements – Track 4

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Interconnection Process Enhancement stakeholder initiative for 2018

- Large number of topics covered, majority approved by the Board in 2018
 - **Track 1 – 7 topics approved in July**
 - **Track 2 – 8 topics approved in September**
 - **Track 3 – 3 topics approved in November**
 - **Track 4 – 3 final topics**

Management is proposing the following interconnection process enhancements.

1. Network upgrade definitions and cost responsibility
2. Minimum acceptance criteria for interconnection requests
3. Validation procedures for interconnection requests

Topics 2 and 3 will be filed with FERC immediately, seeking a FERC order in time to utilize for Cluster 12 application window April 1 – April 15

1. Network upgrade definitions and cost responsibility

- Defines cost responsibility framework for network upgrades that developers and PTOs could “inherit” cost responsible for
 - conditionally assigned network upgrades
 - interconnection service reliability network upgrades
- Defines maximum cost responsibility and adjustment criteria as projects progress through the process
- Balances risk between interconnection customers and PTOs
 - when financial responsibility for network upgrades shift between entities due to project withdraws

1. Network upgrade definitions and cost responsibility (cont'd)

Stakeholder comments:

- EDF-R, First Solar, LSA, SPower – Support and requested clarification on how cost components for interconnection service reliability network upgrades function within the maximum cost responsibility
 - Management clarified that interconnection service upgrade costs cannot create headroom for increasing allocations of other network upgrades
- PG&E, SCE, SDG&E, and Six Cities believe the customer's third interconnection financial security posting should be the point where PTOs become obligated to backstop financing of network upgrades (vs. execution of generation interconnection agreement (GIA))
 - Management believes proposal provides reasonable relief to PTOs and balances risk between PTOs and developers
 - Retains GIA execution as the point for PTO financial backstop obligation
 - removes the GIA execution requirement for projects allocated transmission plan delivery

2. Minimum acceptance criteria for interconnection requests

- Clarifies the minimum requirements for the information, data and models that interconnection customers must submit when initiating an interconnection request
 - Interconnection requests not submitting required information by April 15 would be deemed incomplete with no opportunity to cure or otherwise be included in that year's cluster study

Stakeholder comments:

- PG&E and SCE supported and no stakeholders opposed the proposal

3. Validation procedures for Interconnection requests

- Modifies the interconnection request validation timelines and process
 - extends the deadline for deeming an interconnection request valid from May 31 to June 30
 - Eases current ISO rigid validation timelines and gives interconnection customers day-for-day extension beyond June 30 if the ISO or PTO misses its expected validation timelines

Stakeholder comments:

- PG&E and SCE supported and no stakeholders opposed the proposal

Management recommends the Board approve the proposed generator interconnection enhancements

- Improves the effectiveness and transparency of the cost allocation process for network upgrades
- Improves the balance of risk between PTOs and developers for financing network upgrades
- Improves the interconnection procedures to help California and the West to continue to meet policy goals