



California ISO

# Decision on Interconnection Process Enhancements – Phase 1

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## The goals of the interconnection process enhancement stakeholder initiative for 2021-2022 (IPE 2021) are to:

- help projects more efficiently and effectively move through the queue,
- help the ISO manage the queue,
- better align the ISO interconnection process with resource procurement activities, and
- address other residual process improvement needs that have become apparent since the last IPE initiative in 2018

The IPE initiative was divided into two phases based on timeliness and the need for additional consideration:

- **Phase 1**

- Addressing more pressing concerns based on the ongoing interconnection process schedules
- Seeking ISO Board of Governors approval today

- **Phase 2**

- Focusing on resolving longer term modifications and broader reforms to align interconnection processes with procurement activities
- Decision scheduled for the October ISO Board of Governors meeting

Enhancing the allocation of transmission plan deliverability to projects in the queue to simplify and streamline the process, better align the process with procurement activities, and move resources more effectively through the queue

- Revises the prioritization and qualifications of the deliverability allocation process – necessary for resource adequacy capacity
  - Creates new eligibility criteria – allowing projects to qualify for an allocation earlier in the process, simplifying the procurement processes of procurement entities
  - Increases the ability for viable projects to obtain deliverability and requires projects not obtaining a power purchase agreements to relinquish deliverability more quickly
- Revises the requirements for power purchase agreements in the allocation process
  - Establishing a minimum 3 year contract term requirement for PPAs contracting for RA capacity (beginning in 2023)
  - Allowing PPAs with large customers to be eligible for an allocation

# Enhancing the process for allocating transmission plan deliverability to generation in the queue (continued)

## Proposed Allocation Groups

Allocation Group	Status of Project	Allocation Requirement
A	Any project (active IR or achieved commercial operation)	Executed PPA requiring FCDS or interconnection customer is a LSE serving its own load
B	Any project (active IR or achieved commercial operation)	Shortlisted for PPA or actively negotiating a PPA
C	Any project that achieved commercial operation	Commercial operation achieved
D	Any active project that meets the allocation group D criteria	No requirements for a PPA, shortlist, or commercial operation

Notes: IR: Interconnection Request  
PPA: Power Purchase Agreement  
FCDS: Full Capacity Deliverability Status

# Changing the site exclusivity requirements to enter and move through the interconnection queue

- The changes will:
  - Incentivize interconnection customers to withdraw less viable projects prior to the Phase I study process and again prior to the Phase II study process
  - Improve the accuracy of the study results by studying only the more viable projects that move forward
  - Improve overall efficiency by reducing study time on less viable projects
- The proposal:
  - Cluster 14 – site exclusivity deposit will be 100% non-refundable after entering Phase II studies
  - Cluster 15 and later – Increased site exclusivity deposits; 50% non-refundable after scoping meeting; and documentation of site exclusivity will be required to enter Phase II studies

# Introducing a new process for the interconnection of new generation under an emergency state mandate

- Facilitates emergency generation that may be needed in the future, instead of relying on requests to FERC to waive existing interconnection process tariff provisions
- Predicated on specific emergency state mandate from the governor
- Only for interconnections and additions specifically designated by a state agency
  - not including counties, municipalities, or CCAs.
- Additional requirements prohibit impacts to the cost or timing of currently queued projects

# Addressing a number of clarifications, enhancements and process improvements supported by stakeholders

- Process clarifications
  - definition of reliability network upgrade
  - interconnection request transfers from the Participating TO's wholesale distribution access tariff queue
  - site and point of interconnection change processes
  - the deadline for Appendix B data before Phase II studies
  - requirements to utilize third-party interconnection facilities
- Process enhancements
  - the errors and omissions process to mitigate late changes
  - expanding deliverability transfer opportunities
  - the opportunities of parked projects – allowing interconnection customers to make certain modifications while parked
  - communication processes and information access using the resource interconnection management system
- Process simplification
  - Simplifying the downsizing process



## Management recommends the ISO Board of Governors approve the proposed generator interconnection enhancements

- Improves the effectiveness of allocating deliverability to projects and expand customer options
- Helps move resources through the queue and manage the overheated queue
- Improves the Generator Interconnection and Deliverability Allocation Procedures' ability to interconnect significant amounts of new generation expeditiously - to meet near-term significant generation expansion requirements and policy goals