

# Memorandum

**To:** ISO Board of Governors  
**From:** Neil Millar, Vice President of Infrastructure and Operations Planning  
**Date:** January 31, 2024  
**Re:** **Decision on postponement of Cluster 16 interconnection request application window**

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***This memorandum requires ISO Board of Governors action.***

## EXECUTIVE SUMMARY

Under the current generation interconnection process, the ISO opens an interconnection request application window in April of every year (resulting in a new “cluster” of projects). The ISO seeks ISO Board of Governors approval to postpone the Cluster 16 interconnection request application window beyond 2024 due to current queue volumes and ongoing reform efforts. These efforts are contemplated in the ISO’s interconnection process enhancements initiative and result from the Federal Energy Regulatory Commission’s (FERC) Order No. 2023.<sup>1</sup> Without FERC’s rulings on the ISO’s Order No. 2023 compliance filing and interconnection process enhancements tariff amendments, the tariff requirements and timelines for such a cluster would be in flux, and the additional queue volume would exacerbate the current challenges before solutions are in place.

***Moved, that the ISO Board of Governors approve the ISO’s proposal to not open an interconnection request application window in 2024 as set forth in the memorandum dated January 31, 2024, and;***

***Moved, that the ISO Board of Governors authorize Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the change proposed in this memorandum, including any filings that implement the overarching initiative policy but***

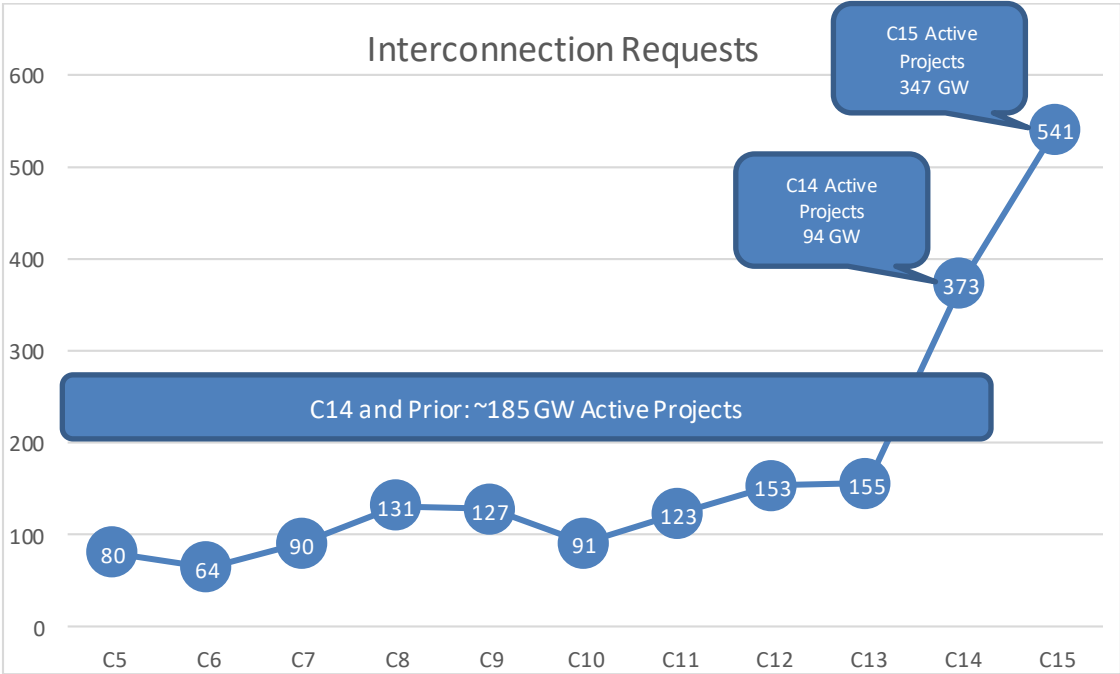
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<sup>1</sup> *Improvements to the Generator Interconnection Procedures and Agreements*, 184 FERC ¶ 61,054 (2023).

**contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.**

**DISCUSSION AND ANALYSIS**

Currently under the tariff, the ISO opens an annual interconnection request application window every April, beginning a new two-year interconnection cluster study process. Recent application windows, however, have resulted in unprecedented and unsustainable interconnection queue volumes: there are 185 GW in the queue predating Cluster 15, and 347 GW of additional interconnection requests in Cluster 15 alone. As seen in the chart below, the past two interconnection application windows have yielded such volume in terms of both the number of individual interconnection requests and the total capacity of requests that the ISO has sought relief at FERC to extend those particular clusters by at least a year. It is clear that the ISO interconnection process requires further reform to advance viable projects and prevent less viable projects from hindering the progress of other projects in the queue. The ISO is actively working with stakeholders to design transformational reforms before opening a new interconnection request application window.



Additionally, on July 28, 2023, FERC issued Order No. 2023, setting new standard requirements and timelines for the interconnection process. The vast majority of the ISO’s resulting tariff revisions required for compliance with Order No. 2023 will mirror FERC’s revisions to its own pro forma procedures, resulting in substantial changes to the cluster study process. The ISO’s compliance filing is due April 3, 2024, and the ISO will require a FERC order on the filing before

the new tariff amendments and study procedures can take effect. FERC is not required to issue an order on the ISO's compliance filing within a given timeframe, which creates uncertainty around when the ISO can fully implement Order No. 2023. However, it is clear that an April 2024 window for Cluster 16 is no longer feasible. The ISO intends to propose a timeline for opening Cluster 16 in line with these reforms for FERC's approval as part of its Order No. 2023 compliance filing.

Along with the Order No. 2023 compliance amendments, the ISO intends to bring a package of additional reforms to the ISO Board of Governors in May 2024 as part of the interconnection process enhancements track 2 initiative. The ISO will require these complementary reforms to take effect before the Cluster 16 request window in order to apply new requirements to Cluster 16, and to aid in successfully reducing queue cluster volumes.

## **POSITIONS OF THE PARTIES**

The ISO notified stakeholders of its intent to postpone Cluster 16 beyond 2024 in the straw proposal (posted September 21, 2023) and revised straw proposal (posted December 12, 2023) for track 2 of the interconnection process enhancements initiative, and did not receive any comments on the matter. Parties are aware that the ISO interconnection queue currently contains an unprecedented level of new capacity and interconnection projects that require review and study, and stakeholders are engaged in the ISO's efforts to transform the future interconnection request process and queue management processes through the interconnection process enhancements initiative.

## **CONCLUSION**

The ISO seeks ISO Board of Governors approval to postpone the Cluster 16 interconnection window until it implements interconnection reforms, which can then be applied to the next interconnection request window.