



Stakeholder Comments Template

Generator Interconnection: Cluster 14 Revised Study Process and Timeline

This template has been created for submission of stakeholder comments on the Supercluster Interconnection Procedures issue paper and draft final proposal that was published on May 14, 2021. The proposal, stakeholder meeting presentation, and other information related to this initiative may be found on the miscellaneous stakeholder meetings webpage at:

<http://www.caiso.com/informed/Pages/MeetingsEvents/MiscellaneousStakeholderMeetings/Default.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **May 28, 2021**.

Submitted by	Organization	Date Submitted
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Please provide your organization’s comments on the Supercluster Interconnection Procedures issue paper and draft final proposal, and May 21 stakeholder call discussion:

LSA and SEIA (together, “LSA/SEIA”) appreciate the opportunity to comment on the CAISO’s May 14th document, Supercluster Interconnection Procedures – Issue Paper and Draft Final Proposal (Proposal). LSA/SEIA understands the workload issues caused by the large size of the cluster and provides feedback, additional details, and possible alternatives below.

LSA/SEIA’s comments are organized according to the different elements of the Proposal – the Proposal overall, Interconnection Study revisions, Interconnection Financial Security (IFS), and Participating Transmission Owner (PTO) Study release timing.

Proposal overall

CAISO proposal

- **Applicability:** Any cluster with at least 150 Interconnection Requests (IRs), i.e., a Supercluster.
- **Timing for this cluster:** The overall study process for the supercluster will be extended by about 1 year – C14 details below – delaying the application window for the following cluster (C15 here) by 1 year.

Issue Paper and Draft Final Proposal Comments

DEADLINE	SUPERCLUSTER PROPOSAL	TYPICAL CLUSTER
Phase I Study Results Published	September 15, 2022	January 11, 2022
Initial IFS Due	January 13, 2023	April 25, 2022
Cluster 15 Request Window	April 15, 2023	April 15, 2022
Phase II Study Results Published	November 24, 2023	November 10, 2022
TPD Affidavits Due	December 8, 2023	December 1, 2022
TPD Results Published	March 23, 2024	March 14, 2023
Second IFS Due	May 4, 2024	May 19, 2023
Reassessment	August 20, 2024	August 1, 2023

LSA/SEIA comments: LSA/SEIA understand the rationale for the Proposal. However:

- **The C14 procedures should be a one-time change, not a general procedure going forward.**
The CAISO is planning to initiate a new Interconnection Process Enhancements (IPE) initiative later this year, and any such general procedures should be examined much more closely than is possible in the current expedited initiative.

- **The trigger level should be much higher than 150 IRs.**

- **The CAISO and PTOs were able to handle that number of IRs in the prior two clusters,** with little or no delay.
- **The CAISO and PTOs should prepare for continuing high levels of new IRs in the future by beginning acquisition of new resources now.** The number of IRs seems driven largely by CPUC procurement directives and other market needs; given recent and expected upcoming CPUC decisions, and the fact that Interconnection Customers cover study costs, the CAISO and PTOs should.

Thus, the CAISO and PTOs should start acquiring additional resources now, so that:

- The later portions of the proposed C14 timelines – e.g., Phase II Study – can be moved back, closer to the current timeline; and
- The CAISO and PTOs can handle continuing higher levels of IRs in the future, and perhaps avoid the C15 delay.

- **The CAISO and PTOs should try harder to encourage less-viable C14 projects to exit the queue,** either before or after Phase I.

- **The CAISO should provide explicit information to C14 projects** about the likelihood (or unlikelihood) of a TPD award.
- **The CAISO should more seriously consider raising the barriers to entry, for Phase I or, certainly, Phase II, instead of assuming that this would be a violation of the Filed Rate Doctrine.** As discussed at the May 21st stakeholder meeting, there are FERC-accepted precedents for imposing after-the-fact requirements on already-submitted IRs in a just and reasonable manner.

Issue Paper and Draft Final Proposal Comments

For example, some projects applying under the prior Serial Study process were allowed to continue with that process if their studies were advanced, but others had to become part of the Transition Cluster. The latter were required to meet additional requirements – higher study deposits, provision of additional information, and Site Exclusivity requirements – in order to avoid withdrawal altogether. (See Appendix 2 of Tariff Appendix Y.)

- **The CAISO should not lock in the proposed new timeline.** Instead, it should allow for acceleration of the timeline, to points closer to the existing timelines, if the C14 size becomes more manageable or other opportunities for acceleration become apparent. For example, if the cluster becomes much smaller for the Phase II Study – through the measures advocated or otherwise – the CAISO should reduce the Phase II Study duration closer to the current timing.
- **The CAISO should try to retain as much of the current process as possible for C14 projects with high readiness levels** – e.g., those that are just expansions of existing projects, sharing gen-tie lines and other Interconnection Facilities, have Site Control (or Site Exclusivity for 100% of the land needed), etc.
- **The CAISO should add PTO’s Interconnection Facilities costs to the Initial IFS release provisions.** It is possible that whatever Phase I simplification measures the CAISO adopts could impact PTO’s IFs costs as well, and those cost are actually more critical because they are not refundable. Similarly, they have even more potential to delay project CODs than Network Upgrades (NUs).

Thus, the NU and PTO’s IF security should both be 100% releasable for, in Phase II: (1) NU or PTO’s IF cost increases $\geq 25\%$; and (2) NU or PTO’s IF completion extends by >1 year.
- **The CAISO should give projects whose study timelines are extended day-for-day extensions to the current 7-year time-in-queue limitations.** For example, if the process is extended for 1 year, time-in-queue limitations should be extended to 8 years from IR submittal. (This would include Commercial Viability Criteria (CVC) applicability provisions as well.)
- **The CAISO should clarify how the new process would impact parking for Cluster 12 and 13 projects,** i.e., those: (1) currently parked and plan to exit next cycle; (2) currently parked and might have the option to extend for another year; and (3) would have a parking option after the 2022 TPD allocation.

Interconnection Study revisions

CAISO proposal

- **The Phase I Study assumptions and methodology will be simplified.**
 - The study will not include stability analyses. This will remove the need for validating project models and time/effort for those analyses.
 - The study will include fewer resources/less capacity than in the queue, and fewer new resources/less capacity than in the current study cluster. This will help ensure sensible results, given the number and amount of resources likely to be contracted and constructed.

- **The Phase I Study cost estimates and allocations will be advisory only**, because upgrades that would have otherwise been triggered in that study may not be, given the simplification described above.
- **The Phase II Study result will set the Network Upgrade (NU) cost caps**, instead of the caps being based on the lower of Phase I or Phase II Studies.

LSA/SEIA comments

- **The CAISO should communicate its proposed Phase I Study methodology and assumptions to stakeholders, and allow an opportunity for comment.** This would include:
 - The analyses that the studies will include. Both steady-state and short-circuit studies should still be included.
 - The methods that would be used to reduce the number of projects or magnitude of the capacity it will use in the study.
 - How it will treat units expected to be retired in the study time horizon.

If possible, the CAISO should provide this information before the second comment opportunity in this abbreviated stakeholder process.

- **The CAISO should consider the recommendations for Phase I Study simplification in the comments of 8minute Solar Energy.** LSA/SEIA strongly support these recommendations, as they have the potential to significantly reduce the proposed study timeline.

Interconnection Financial Security (IFS)

CAISO proposal: The Initial IFS posting (due at Phase I Study + 30 CDs) will be 100% releasable (instead of some being subject to forfeit¹) upon project withdrawal, if the Phase II study:

- Increases Maximum Cost Responsibility² (MCR) by $\geq 25\%$ over the Phase I amount; or
- Extends the longest-duration Reliability NU (RNU) by ≥ 1 year above that in the Phase I Study (i.e., delays the earliest possible project COD by more than a year).

LSA/SEIA comments: The CAISO should consider the structure proposed by EDF-R in the May 21st stakeholder meeting, i.e., retain the current security-release rules but cap Network Upgrade cost at the lower of: (1) some multiple of the Phase I Study NU costs; or (2) Phase II Study NU costs. This would at least keep some measure of usefulness for the Phase I Study.

¹ The usual forfeit upon withdrawal between Initial and Second IFS Posting is the lower of $\frac{1}{2}$ the posting or \$10K/MW.

² MCR from Phase I = (full cost of assigned Interconnection Reliability Network Upgrades (IRNUs)) + (allocated costs for all other Assigned Network Upgrades (ANUs)). MCR from Phase II under the Proposal = (full IRNU costs + other ANU costs) from Phase II.

LSA/SEIA find the CAISO's hypothesis that this could cause PTOs to take even more time with the Phase I Study – because it would “count” – to be unconvincing, since: (1) we trust in the professionalism of the PTO staff; and (2) the PTOs would continue to retain up to half the security posting, mitigating their risk, which would not be the case with the proposed new framework.

PTO Study release timing

CAISO request for feedback

Currently, new projects in all PTO areas receive their studies at around the same time and participate together in the annual Transmission Plan Deliverability (TPD) awards needed for Full Capacity Deliverability Status (FCDS) or Partial Capacity Deliverability Status (PCDS) (the latter, if there's not enough deliverability for FCDS or if PCDS was requested).

The CAISO seeks feedback on whether providing study reports to projects locating in some PTO areas before those locating in other PTO areas would unfairly benefit the former. (Based on other indications from CAISO and the PTO figures provided above, it seems particularly likely that studies in the PG&E area might be delayed the most.) The issue is limited to studies only – CAISO is still planning to perform one TPD allocation process, so projects receiving their studies earlier would not receive TPD awards sooner than those receiving studies later.

LSA/SEIA comments

It is difficult for suppliers to answer this question, in part because we don't know whether Load-Serving Entities (LSEs) would still consider Phase I Studies (currently required for most RFOs) as the eligibility threshold for their Requests for Offers. In other words, it may be that LSEs will begin requiring Phase II Studies instead, since Phase I Studies would no longer provide the “worst case” for Network Upgrade costs.

Since the impact on competitiveness is thus unknown, LSA/SEIA believe that the CAISO should retain the current practice of releasing studies for all the PTOs at the same time.