




Interconnection Process Enhancements (IPE) 2023 Issue Paper and Straw Proposal

Stakeholder Meeting
March 13, 2023

Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.

Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the top right above the chat window. **Note:** #2 only works if you dialed into the meeting.
 - Please remember to state your name and affiliation before making your comment.
- If you need technical assistance during the meeting, please send a chat to the Event Producer.
- You may also send your question via chat to either Kaitlin McGee or to all panelists.

Today's Agenda

Time	Topic	Presenter
10:00 – 10:05	Welcome and stakeholder process	Kaitlin McGee
10:05 – 10:30	Introduction	Neil Millar
10:30 – 11:15	IPE 2023 – Track 1	Bob Emmert
11:15 – 12:30	IPE 2023 – Track 2	Bob Emmert
12:30 – 12:45	Next steps and initiative schedule	Kaitlin McGee

CAISO Policy Initiative Stakeholder Process

PROPOSAL DEVELOPMENT

Issue paper and working groups

↳ Straw proposal

Draft final proposal

Draft business requirement specification

Draft tariff and business practice manual revisions

Final proposal

DECISION

ISO Board

EIM Governing Body

Tariff filing

FERC

IMPLEMENTATION

Business practice manual

Training

Market simulation

Go Live



Stakeholder input

This represents the typical process, and often stages of the process run in parallel.

We are here

The need for change through IPE 2023 initiative

- We are driving to implement transformational reforms to the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and break down barriers to efficient and timely resource development.
- These changes are needed to achieve the state's vastly accelerated pace of new resources that must be connected to the grid
- This is essential for California to meet its reliability and SB 100 goals in a timely and cost-effective manner.

Context for IPE 2023 Initiative

- The IPE 2023 initiative is part of a larger set of foundational framework improvements being coordinated among the CPUC, CEC, and ISO.
 - The strategic direction is set forth in a joint Memorandum of Understanding (MOU) signed in December 2022.
 - It sets the direction for tightening linkages among resource and transmission planning activities, interconnection processes and resource procurement.
- The ISO is now taking on additional reforms to the interconnection queue process to leverage improved coordinated planning set out in the MOU and break down barriers to efficient and timely resource development.

Overheated queues reinforce the need for change

- Recent events demonstrate more extreme measures are needed to achieve the new pace of resource interconnections efficiently and effectively.

Survey Estimate of Interconnection Requests Expected for Cluster 15

Estimated Number of Projects (based on low end)	Estimated Number of Projects (based on high end)
279	308

Number of Projects Being Studied in Cluster 14 Phase II

Cluster 14 Phase II	Number	Total Capacity	Capacity at Point of Interconnection
Projects Posted and in Phase II	205	94,421 MW	65,566 MW

The IPE 2023 Initiative will have two tracks

- Track 1 will focus on immediate adjustments to the Cluster 15 schedule.
 - Allows for completion of Cluster 14 phase II studies and for Track 2 changes to be put in place.
- Track 2 will focus on the changes to the GIDAP cluster study process needed to achieve the MOU goals.
 - To be completed prior to resuming the Cluster 15 interconnection request validation and study processes.

IPE 2023 Track 1 straw proposal

1. Accept Cluster 15 interconnection requests during the normal April 3 – April 17 open window.
2. Perform completeness review of interconnection requests received during open window and finalize list of interconnection requests deemed complete by May 1, 2023.
3. Postpone validation of Cluster 15 interconnection requests, project scoping meetings and studies.
 - Restarting Cluster 15 process on April 1, 2024 seems ideal as it maintains coordinated schedule with transmission planning process.
 - Provides time to complete Cluster 14 phase II studies and develop and finalize GIDAP changes in Track 2 that need to be completed and in effect before Cluster 15 phase I studies begin.

IPE 2023 Track 1 (cont'd)

- Potential need for extending Cluster 14 phase II study schedule.
 - Restarting Cluster 15 process in April, 2024 assumes Cluster 14 phase II studies and results meetings would be completed within current Cluster 14 tariff schedule.
 - The proposed Cluster 15 schedule is subject to current Cluster 14 tariff schedule being maintained.

IPE 2023 Track 1 – Other Issues for Consideration for long lead time resources

- Offshore and out-of-state wind resources face unique challenges that may warrant special consideration.
- State policies have identified need for both types of resources and for transmission planning to address their needs.
- Offshore wind leases covering 373,268 total acres off central and northern California have been awarded with potential to produce more than 4.6 gigawatts of offshore wind energy.
- Out-of-state wind intends to use a “subscriber participating transmission owner” model to connect significant amounts of wind to the ISO, which provides important operational and state policy benefits.

IPE 2023 Track 1 – Other Issues for Consideration (cont'd)

- These resources are large scale and have long lead times that create challenges in obtaining timely power purchase agreements from load-serving entities.
- Offshore wind development is also challenged by need for massive new supply chain development and construction infrastructure requiring state-level attention.
- These timeline challenges are unique compared to the more quickly sited and constructed solar and storage projects that make up bulk of interconnection requests.
- A delayed Cluster 15 schedule may impair development of these resources and California's policy objectives for supply diversity and reliability.
- The ISO is raising this issue for consideration and comment.

IPE 2023 Track 2 - Interconnection Process Reforms for Cluster 15 and beyond

- Priority must be given to projects that seek to utilize available capacity coming out of ISO transmission planning process.
 - Projects that seek to interconnect where no capacity exists currently and no future transmission is planned should be given lower priority in study process, if studied at all.
- The volume of interconnection requests receiving detailed study results must be tempered to align with state agency resource plans.
 - Initiative will explore how to limit project capacity studied to reasonable amounts that support the state's resource planning and procurement needs.
- Better alignment with load-serving entities' resource procurement functions is needed and opportunities for alignment explored.
 - Do the detailed and individualized results of the current phase 1 and phase 2 study processes provide truly useful information?
 - Would faster but less precise information - based on more generic study processes - better serve information needs of load serving entities?

IPE 2023 Track 2 – Elements for consideration

- Element 1: Accept or process only interconnection requests where transmission system has available existing or planned capacity.
 - Limiting study process to zones on transmission system that have available capacity, either existing or planned, would focus project development on areas where transmission has already been approved and moving forward to accommodate new resources.
- Element 2: Limit number of interconnection requests in a study area based on transmission capacity being planned for that area.
 - Limiting interconnection request intake and study processes exclusively to zones where existing and planned transmission capacity is available will likely continue to result in excessive number of interconnection requests unless other steps are taken.
 - Additional methods would be needed to limit number and MWs of interconnection requests analyzed in each of the study areas to an amount based on available existing or planned transmission capacity.

IPE 2023 Track 2 – Elements for consideration (cont'd)

Element 2 (cont'd)

- Could screening criteria be developed to filter list of projects to only those that will receive detailed analysis?
 - It is possible that screening criteria alone would not reduce the eligible capacity to an acceptable level for each study area and likely that additional methods for reducing capacity would be needed.
- Consider methods such as auctions for reducing project capacity to levels that are commensurate with amount of currently available or future capacity in each zone.
- Could generic study results from previous or current studies be provided to projects not selected through screening in lieu of performing more thorough studies for such projects?
- Could projects not selected through screening be rejected and not studied at all? Or, could projects not selected be studied in a slower, lower priority process?

IPE 2023 Track 2 – Elements for consideration

- Element 3: Require projects to have a PPA or be shortlisted to proceed to phase II studies.
 - Will need to consult with procurement entities to determine viability.
- Element 4: Only open a new interconnection request window when warranted.
 - Explore criteria such as a new interconnection request window would not open until capacity in queue is below a predefined amount, for example:
 - Total capacity in queue
 - Capacity that has not executed a generation interconnection agreement

NEXT STEPS

IPE 2023 Track 1 Initiative Schedule

Date	Development Milestones
3/6/2023	Issue paper and straw proposal published
3/13/2023	Stakeholder conference call on issue paper and straw proposal
3/27/2023	Stakeholder comments due
4/10/2023	Publish draft tariff language & final proposal
4/24/2023	Stakeholder comments due on draft tariff language & final proposal
5/1/2023	Stakeholder conference call on tariff language & final proposal
5/17/2023	Board of Governors meeting

The schedule for Track 2 will be developed once stakeholder feedback is received on this issue paper and straw proposal. To meet the proposed schedule for implementing process changes ahead of commencing Cluster 15 phase I studies, it is anticipated that Track 2 would need to be presented to the Board of Governors in December 2023.

Next Steps

- Please submit comments on the straw proposal and meeting discussion using the commenting tool linked on the initiative webpage
 - Comments are due by end of day **March 27, 2023**
- Visit initiative webpage for more information:
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2023>
- If you have any questions, please contact isostakeholderaffairs@caiso.com