



Interconnection Process Enhancements (IPE) 2023 Track 2 Discussion Paper

Stakeholder Meeting
June 7, 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
1:00 – 1:05	Welcome and stakeholder process	Kaitlin McGee
1:05 – 2:00	IPE 2023 <ul style="list-style-type: none">• Introduction• Track 2 working group process• Discussion Paper Principles	Danielle Mills
2:00 – 3:00	Discussion Paper: <ul style="list-style-type: none">• Problem Statement 1: Interconnection request intake• Concepts for managing interconnection request intake	Bob Emmert
3:00 – 3:45	Discussion Paper: <ul style="list-style-type: none">• Problem Statement 2: Management of outstanding interconnection requests• Concepts for managing the queue	Jason Foster
3:45 – 4:00	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

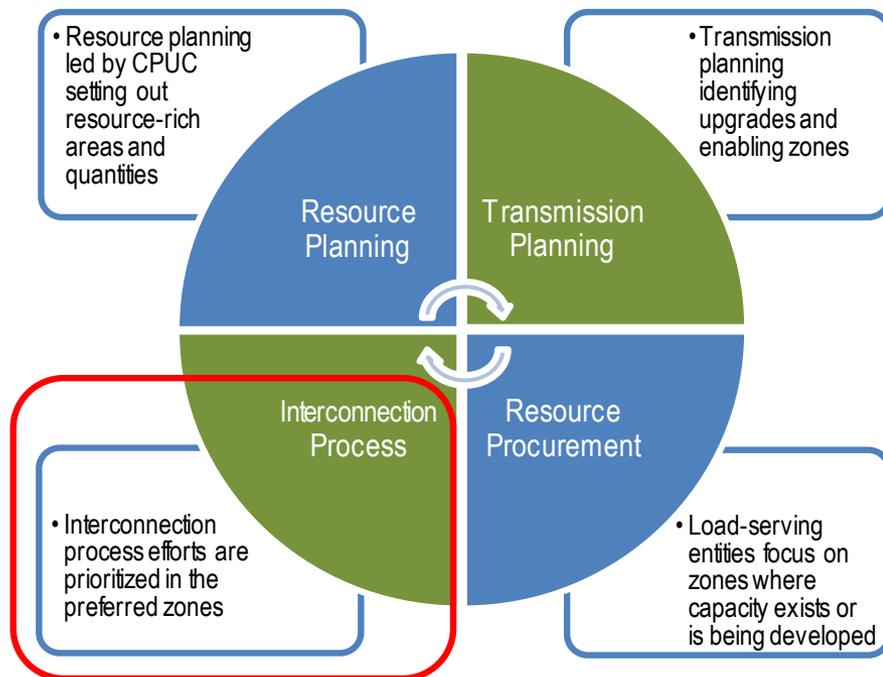
This represents the typical process, and often stages of the process run in parallel.

We are here

Introductory Remarks

- Neil Millar
 - Vice President, Infrastructure and Operations Planning
- Joanne Serina
 - Vice President, Stakeholder Engagement & Customer Experience

The Role of Interconnection in Clean Energy Deployment

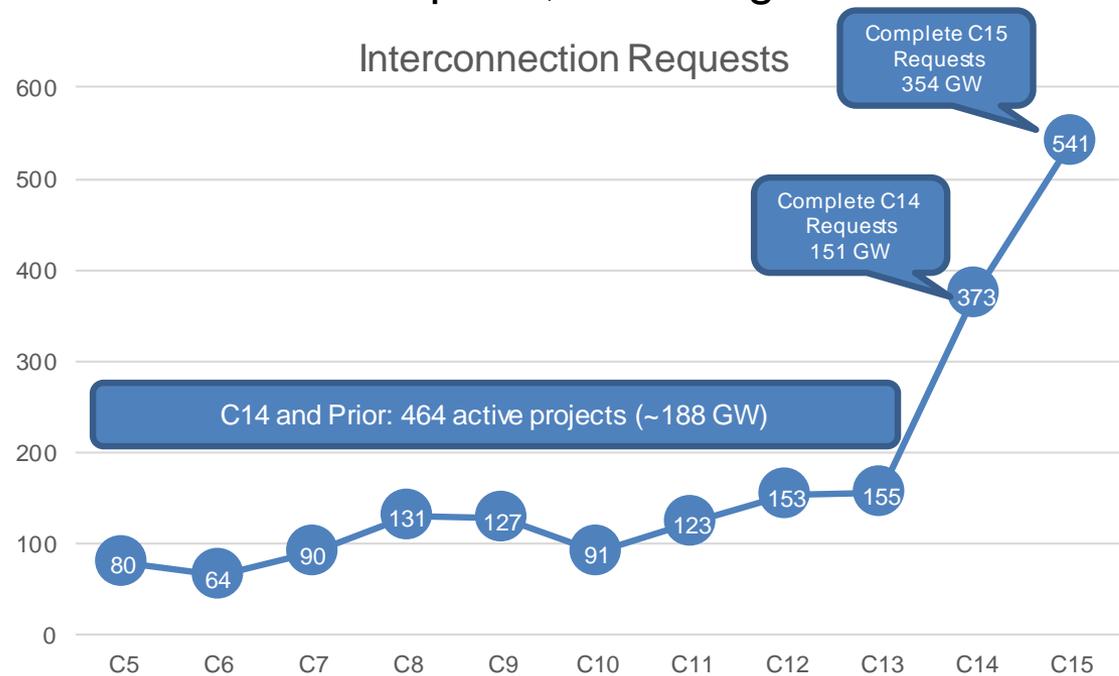


Strategic direction established in a Memorandum of Understanding signed in December 2022 to:

- Tighten the linkage between resource and transmission planning, procurement direction, and the CAISO interconnection process
- Create formal linkage between CEC SB 100/IEPR activities and the ISO and CPUC processes
- Reaffirm the existing state agency and single forecast set coordination

Current circumstances have reinforced the need for these transformative changes

- CPUC resource portfolios call for over 7,000 MW per year for the CAISO's 2023-2024 planning cycle
- Interconnection requests continue to skyrocket
 - Many in areas not part of state resource plans, and in high volumes even in those areas
 - C15 exceeded last year's informal survey results of about 300 expected requests.



IPE 2023 Initiative Tracks

- Track 1 focused on immediate adjustments to the Cluster 15 schedule and out-of-state wind.
 - Allows for completion of Cluster 14 phase II studies and for Track 2 changes to be put in place.
 - Adopted by the ISO Board of Governors in May.
- 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.
 - Goal is to bring Track 2 to the ISO Board of Governors in December 2023

IPE Tracks 1 & 2 and Deliverability

IPE Track 1

- Immediate adjustments to Cluster 15 study
- Tariff changes approved by ISO Board May of 2023
- FERC Filing June 2023

IPE Track 2

- Targeted modifications to interconnection intake and queue management
- May consider modifications to the TPD allocation process
- Seeking BOG approval in 2023 for application to Cluster 15 (Q2 2024) and future clusters

Deliverability Assessment Methodology

- Tests ability to provide Resource Adequacy (RA) to load during stressed system conditions; RA resources are required to meet basic interconnection requirements to be reliably interconnected
- Initiative will move in parallel with IPE
- Seeking BOG approval in 2023

Principles for Interconnection Reform

The Discussion Paper proposes the following principles for this initiative:

1. Prioritize interconnection in zones where transmission capacity exists or new transmission has been approved
2. Limit the amount of studies to reasonable capacity volumes that align with state resource planning
3. Align interconnection and transmission plan deliverability processes and LSE resource procurement functions
4. Enhance the post-study queue management procedures.

In addition, the reforms must

- Continue to ensure open access
- Be manageable and sustainable to the ISO and stakeholders

The ISO invites stakeholder feedback on these principles.

Problem Identification

The ISO identified two fundamental challenges associated with managing the current interconnection process:

- Intake of new interconnection requests
- Management of outstanding interconnection requests

The ISO invites stakeholder feedback on both problem statements.

The ISO seeks stakeholder input on problem statement 1: Interconnection Request Intake

- The massive increase in interconnection requests seeking to meet the accelerated cadence of resource development now needed by the state on a sustained basis has overwhelmed critical planning and engineering resources across the industry. The current generator interconnection processes simply cannot efficiently accommodate all applicants, and must be substantially redesigned to meet state policy and reliability needs.

The ISO presents three potential concepts for managing interconnection request intake

- Important TPD allocation process decisions will be needed for all proposed options.
- Concept 1: Qualification process for determining projects studied for Full Capacity Delivery Status (FCDS) and study path for all others.
 - Utilize scoring criteria for projects competing to be studied. Second step might be needed.
 - Scoring criteria determines placement of interconnection requests into group 1 or group 2.
 - Group 1 able to use TPP ADNUs for FCDS (Option A)
 - Group 2 deliverability based on Option B criteria
 - Congestion revenue rights vs. reimbursement for DNUs

ISO presents three potential concepts for managing interconnection request intake (cont'd)

- Concept 2: Only study projects requested by LSEs and other offtakers.
 - Each offtaker allowed to submit projects capacity up to twice the capacity in the LSE's procurement target for that year.
 - Based on phase I study results offtakers submit projects to be studied in phase II – possibly not to exceed the level their current procurement target.

ISO presents three potential concepts for managing interconnection request intake (cont'd)

- Concept 3: Only study projects that are successful in an auction process for proposed projects
 - Working group to develop an annual auction methodology where the results of the auction would determine the specific projects that would be studied in that year's cluster studies.

ISO is seeking stakeholder input on problem statement 2: Management of outstanding interconnection requests

- Following the study process, many projects in the interconnection queue do not proceed to commercial operations as expected. The current processes for managing the queue do not facilitate a timely development process, and a number of projects remain in the queue without indication of their near-term viability or intent to proceed to contracting or construction.

ISO presents concepts for managing the queue

- **Modification Process Updates**
 - Limit timeframes for projects to submit MMA requests
 - Modification policy, deposit, and timing updates
- **Limited Operation Study process updates**
- **Project Accountability**
 - Set deadlines for notice to proceed and third postings following Phase II study results.
 - Establish limitation and requirements for projects proceeding to commercial operation and for Energy Only Projects

ISO presents concepts for managing the queue (cont'd)

- Remove suspension rights from LGIA
- Transmission Plan Deliverability (TPD) transfer limitations
- Make Attachment 7 (SGIA) consistent with Appendix H (LGIA)
- Propose a one-time withdrawal opportunity from the queue
 - Stakeholders will need to consider:
 - Timing of the withdrawal process to ensure such withdrawals can be incorporated into the next ISO reassessment process.
 - Need to determine if the non-refundable funds process will be waived for this one-time process.
 - Stakeholders will need to determine how to manage PTO responsibilities and LGIAs where tariff section 14.2.2 would require the PTO to fund upgrades needed by later queued projects, versus allowing costs from withdrawing projects with GIAs to cascade to later queued projects needing upgrades contained in those GIAs.

NEXT STEPS

IPE 2023 Track 2 Initiative Schedule

Date	Track 2 Milestone
05/31/2023	Publish discussion paper
06/7/2023	Stakeholder call on discussion paper
06/14/2023	Stakeholder comments due
06/20/2023 – 06/21/2023	Working group session 1
06/27/2023	Working group session 2
07/11/2023	Working group session 3

To implement process changes ahead of Cluster 15 phase I studies, the ISO seeks to present Track 2 to the Board of Governors in December 2023.

Working Group process and how to prepare

- The ISO will host several working group sessions where stakeholders will provide proposals, give presentations, and participate in discussion to help formulate the next initiative Paper.
- Please submit written comments by June 14, 2023 outlining your position on items presented in the Discussion Paper, proposed alternatives, or would like to present at an upcoming working group meeting.
- If you plan to attend the working group meeting in-person, please [register](#) by end of day June 16.

Additional information

- 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



- *Energy Matters* blog provides timely insights into ISO grid and market operations as well as other industry-related news <http://www.caiso.com/about/Pages/Blog/default.aspx>.

Read a recent article featured in the blog:

The preview shows a header image with a power transmission tower, wind turbines, and solar panels under a bright sky. The text "SUMMER OUTLOOK" is overlaid on the solar panels. To the right, the article title is "2023 Summer Loads and Resources Assessment has been posted". The date is "May 16, 2023" and the category is "Summer conditions". A short summary follows: "The California Independent System Operator has released its 2023 Summer Loads and Resources Assessment, which shows considerable improvement in resource availability for the upcoming summer, driven by accelerated resource development and high hydro conditions within California." A "READ MORE" link is at the bottom.

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