



California ISO


2023 Interconnection Process Enhancements Track 2 Working Group

June 27, 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.
- These collaborative working groups are intended to stimulate open 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 all panelists.

Agenda

Time	Topic	Presenter
9:00am – 9:15am	Introduction and Meeting Objectives	Kaitlin McGee
9:15am – 9:45am	Review Principles and Problem Statements	Danielle Mills
9:45am – 10:30am	Process for Framing Proposals and Solutions	Danielle Mills
10:30am – 10:45am	Break	
10:45am – 12:00pm	Discuss ISO Proposed Concepts for Intake	Bob Emmert
12:00pm – 1:00pm	Lunch break	
1:00pm – 2:30pm	Discuss Queue Management Issues	Jason Foster
2:30pm – 2:45pm	Break	
2:45pm – 3:30pm	Discussion of Data Needs and Viability	All
3:30pm – 4:00pm	Discuss Next Working Group and Initiative Schedule	Kaitlin McGee

CAISO Policy Initiative Stakeholder Process



We are here

- Working groups will inform the development of a straw proposal.
- The ISO will not request formal written comments between working group meetings, but will accept written comments after the final working group meeting to inform development of the Straw Proposal.
- The ISO will take notes and produce reports of each of our working group meetings.

Working Group Structure - Roles

- **Facilitator** – the group will be managed by a designated ISO facilitator.
 - Responsible for guiding discussion, driving toward resolution of issues and toward deliverables.
- **Scribe** – the group has a designated scribe.
 - Responsible for capturing discussion and evolution or proposal(s), publishing meeting summaries, and working jointly with the facilitator.
- **Working Group Coordinator** – oversees overall working groups progression.
 - Responsible for overseeing working group engagement and ensuring consistency in organization or working groups.
- **Working Group Participants** – provide ideas, proposals, input and vetting.
 - Working groups are open to all stakeholders.
 - ISO staff will also be participants in working group.

June 27 Work Group Objectives

- Review principles and problem statements
- Begin to explore ISO proposed concepts for intake
- Further explore queue management pain points and ISO proposed concepts
- Gather stakeholder feedback on data and 'viability'
- Discuss next steps for working group and initiative

Revised Proposed Principles for Interconnection Reform

1. Prioritize interconnection in zones where transmission capacity exists or new transmission has been approved, while providing opportunities to identify and provide alternative points of interconnection or upgrades.
2. Ensure meaningful study results that take into account system capability, resource planning and procurement*.
** Resource planning includes the CEC, CPUC, and other Local Regulatory Authorities (LRAs) engaged in these activities.*
3. Align interconnection and transmission plan deliverability processes with resource procurement functions.
4. Enhance the procedures, including contracting and queue management procedures, for ensuring projects proceed to commercial operation and determine how to appropriately handle those that are not.
5. Enhance the interconnection process's ability to support the procurement necessary to meet California Public Utilities Commission (CPUC) resource portfolios and California Energy Commission (CEC) SB 100 portfolios, and portfolios established by non-CPUC jurisdictional LRAs.
6. Enhance public awareness and accessibility of data and information to support and enable the above principles.

Revised Proposed Problem Statement 1: IR Intake

1. Unsustainable increase in interconnection requests (IRs) has overwhelmed the GIDAP.
2. Increase in IRs has overwhelmed critical planning and engineering resources across the industry.
3. GIDAP, as currently designed, simply cannot efficiently accommodate increased amount of IRs.
4. Study results lose accuracy, meaning and utility when the level of cluster IR capacity are multiple times the existing or planned transmission capacity for an area.
5. Lack of accurate, actionable information on the location and amounts of available interconnection and deliverability capacity prior to opening of the IR windows results in increased numbers of IRs.
6. The issue of project viability is a widely discussed industry topic. However, project viability is not well defined and not currently considered for IR acceptance criteria in the GIDAP.
 - Stakeholders need to define what viability criteria is appropriate for a new IR, the point in the process viability is tested and determine if process revisions are needed.
7. Technology solutions to enhance the IR intake, validation and study process may exist and should be explored for opportunities to increase process efficiencies and reduce time and staff requirements.
8. Timelines for design and construction of interconnection customer required upgrades continue to increase, negatively impacting achievable CODs.

Revised Proposed Problem Statement 2: Management of outstanding interconnection requests

Following the study process, a number of projects in the interconnection queue do not proceed to commercial operations as expected (e.g. delay executing a GIA, meet contract milestones, etc.) and remain in the queue without indication of their intent to proceed to contracting or construction. The current processes for managing the queue presents certain challenges for projects proceeding to commercial operation (e.g. modifications, limited operation study, commercial viability criteria, etc.) and challenges for the ISO's enforcement of projects that are not. Lastly, there is a lack of common understanding of what it means for a project to maintain 'viability' as it moves through the stages to achieve commercial operation.

Framework for July 11th Stakeholder Proposals

- Seeking summaries of proposals by July 5, 2023
- ISO will review summaries to ensure they align to the principles and problem statements
- ISO will publish a proposed agenda
- Stakeholders will have an allotted time to present, with additional time for stakeholder comments.
 - Example: 10 minutes to present, 15 minutes for questions and comments
- ISO anticipates stakeholder comments due July 25
 - If an additional workgroup meeting is needed, comments would follow that meeting

Workgroup input on three ISO Concepts

- Seeking high-level input on each concept (including why)
 - Pros
 - Cons
 - Important issues for consideration
- Keep in mind that TPD allocation process is a critical component for all proposed options.

Concept 1: Qualification process for determining projects eligible and studied for available TPD and study path for all others.

- Utilize scoring criteria for projects competing to be studied. Additional “second step” process 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

Concept 2: Only study projects requested by LSEs and other offtakers.

- Each offtaker allowed to submit project capacity related to their current procurement target.
 - Actual capacity amount would be some multiple of each LSE's current procurement target.
- 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.

Concept 3: Only study projects that are successful in an auction process for proposed projects

- Annual auction methodology to developed by workgroup where the results of the auction would determine the specific projects that would be studied in that year's cluster studies.

ISO concepts for managing the queue

- Modification Process Updates
 - Limit timeframes for projects to submit MMA requests
 - 1) Allow a one-time request to update the project details required for the project's interconnection agreement, and
 - 2) Within 12 months of a project's notice to proceed or start of construction date as identified in the interconnection agreement.
 - Require Notice to Proceed and other milestones to be updated and defined, in addition to the ISD, Sync, and COD
- Modification Policy Updates
 - Increase deposit to \$30,000
 - Increase time to complete modifications to 60 days
 - Introduce timeline to add BESS and seek TPD
 - Limit timing of construction sequencing requests
- Limited Operation Study process updates
 - ICs can submit 9 months prior to sync
 - MMAs must be complete prior to LOS results published.

ISO concepts for managing the queue (cont'd)

- Project Accountability
 - Set deadlines for notice to proceed and third postings following Phase II study results.
 - Projects/Phases must achieve commercial operation by 10 years in queue.
 - Establish limitation and requirements for Energy Only Projects
 - Required to provide notice to proceed and third posting by certain time in queue
 - Limit COD extensions once converted to Energy Only
 - Projects Forego Cost Caps after 7 years in the queue

ISO concepts for managing the queue (cont'd)

- Remove Suspension Rights from LGIA
- Transmission Plan Deliverability (TPD) Transfer limitations
 - Projects must withdraw or downsize after transferring TPD.
 - Limit transfer requests from projects that have not started construction nor achieved commercial operation.
- 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 Work Group Schedule

Date	Track 2 Milestone
06/27/2023	Working group session 2 (virtual): Finalize principles, problem statements and discuss identified pain points. Review ISO-proposed concepts.
07/11/2023	Working group session 3 (possible hybrid): Presentations and discussion of stakeholder proposals

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.

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