



Decision on Interconnection Process Enhancements – Phase 2

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ISO Board of Governors meeting

General Session

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The goals of the Interconnection Process Enhancement stakeholder initiative for 2021-2022 (IPE 2021) are to:

- better align the ISO interconnection process with resource procurement activities,
- help projects move forward more efficiently and effectively,
- help the ISO manage the queue, and
- address other residual issues that arose since the last review

The IPE initiative was divided into two phases based on timeliness and the need for additional consideration:

- **Phase 1 – approved by FERC on August 31**
 - Addressed pressing concerns requiring resolution within 2022
- **Phase 2 – issues that warranted more time**
 - Remaining issues on deliverability and cost allocation
 - Carryover issues that took more time to stakeholder than the phase 1 process allowed

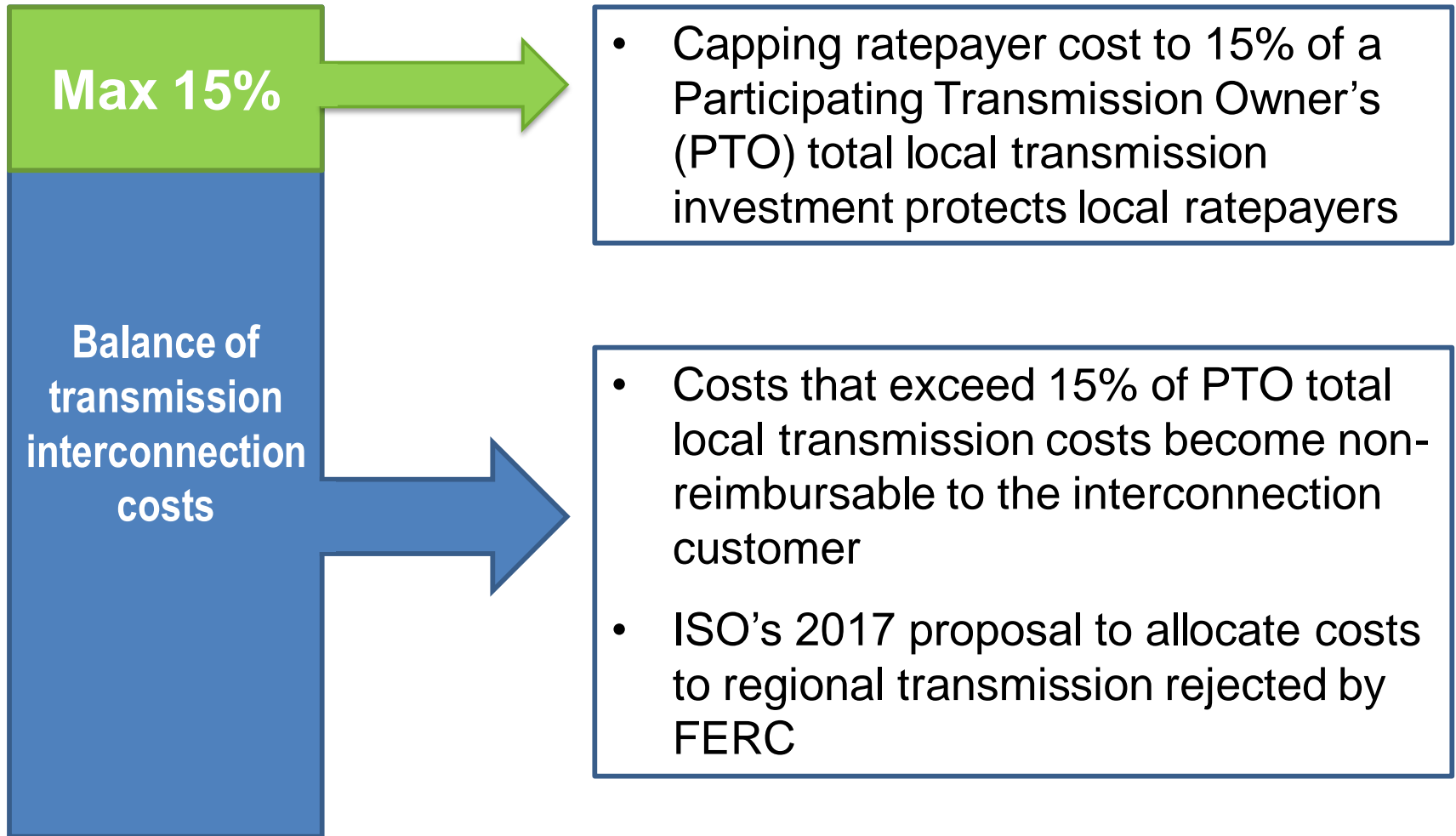
Transmission Plan Deliverability allocation process:

- topics deferred to Phase 2 for further discussion:

1. Now allowing interconnection customers with Power Purchase Agreements (PPAs) with non-Load Serving Entities (LSEs) to qualify for Transmission Plan Deliverability (TPD), and also:
 - Reduced from 5 years to 1 year the minimum required contract term for the off-taker to sell the RA capacity to an LSE
 - Added ability to provide a deposit in lieu of a contract

2. Establishes a minimum PPA term of 5 years to be eligible for an allocation
 - This ensures projects have sufficient contracts to move forward
 - All load serving entities supported 5 - 10 years, as does the CPUC's Energy Division & Public Advocates Office

Capping the rate increase exposure for network upgrade costs to local systems (<200 kV)



Creating new policy for the ISO as an Affected System for interconnections in neighboring systems

- Establishes base case assumptions for studying projects interconnecting outside the ISO that have the potential to affect the reliability of the ISO system
- Will reimburse the cost of any required network upgrades consistent with existing ISO policy for other network upgrades
 - Consistent with FERC policy and has broad stakeholder support

The ISO is also improving process transparency and access to relevant information

- Making more non-confidential information publicly available and easier to access
 - facilitates developing new interconnect requests
- Providing process clarity for developers to work with the PTOs when issuing a notice to proceed to construction
 - allows developers to provide input into the planning process for required network upgrades
- No tariff changes are required

Management recommends the Board approve the proposed generator interconnection enhancements