



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:

Golden State Clean Energy (GSCE) submits the following comments on CAISO’s proposal regarding queue cluster 14 studies and the process for managing future “superclusters.” GSCE recognizes the difficult situation CAISO faces this year. However, we urge CAISO to adopt only a limited set of the proposed changes to address urgent issues to manage QC14. Some of the changes CAISO proposes would benefit from additional stakeholder discussion in the upcoming Interconnection Process Enhancements initiative and there is time to allow additional consideration of these provisions before they need to be implemented. In particular, GSCE believes that the proposal to trigger “supercluster” treatment in the future should be reviewed and alternatives considered. Finally, GSCE agrees with CAISO’s concerns about releasing study results on a piecemeal basis and believes that it would result in an unfair advantage to do so. We support CAISO’s proposal to retain a level playing field and issue study results only when they are available for the entire cluster.

High-level comments on CAISO's proposal

GSCE believes CAISO's queue cluster study process is generally effective, although we look forward to further revisions and improvements in the next Interconnection Process Enhancements initiative. The cluster studies provide a robust process that has facilitated California's policy aims thus far by providing a fair means for new projects and technologies to interconnect annually. The queue is also a critically important source of information needed for resource planning, such as TP deliverability information¹ and insights into areas of commercial interest.² Commercial interests, as expressed through the queue, provide much needed grounding for the integrated resource planning process. Thus, the cluster study process and its annual interconnection request window are important for California policy goals, not only to allow new, clean resources to interconnect, but also to inform planning and resource development. This in turn serves as an indication as to whether California is doing enough to meet the current and future clean energy targets.

While we appreciate the need for CAISO to respond to QC14, if California is to meet its policy goals, CAISO probably should expect queues like QC14 going forward. We do not believe that managing large interconnection demand in the future by canceling upcoming interconnection request windows will be a sustainable solution, and it may exacerbate the problem by encouraging a flood of interconnection requests each year. And we believe that some of the proposed changes that are intended to manage QC14 should be further explored in IPE initiative. GSCE suggests that CAISO only address the Phase I study timeline and scope specific to QC14 and the triggers for penalty-free withdrawal in this initiative. The cost cap issue and question of how future "superclusters" will be managed should be considered further in a more comprehensive package informed by additional stakeholder engagement in the planned IPE initiative.

¹ 2020-21 TPP Transmission Plan, at 40-41, March 24, 2021, *available at*: <http://www.caiso.com/Documents/BoardApproved2020-2021TransmissionPlan.pdf> ("As set out in Appendix DD (GIDAP) of the CAISO tariff, the CAISO calculates the available transmission plan deliverability (TPD) in each year's transmission planning process in areas where the amount of generation in the interconnection queue exceeds the available deliverability, as identified in the generator interconnection cluster studies. In areas where the amount of generation in the interconnection queue is less than the available deliverability, the transmission plan deliverability is sufficient. In this year's transmission planning process, the CAISO considered queue clusters up to and including queue cluster 13.

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The GIDAP studies for each queue cluster also provide information that supports future planning decisions. Each year, the CAISO validates the capability of the planned system to meet the needs of renewable generation portfolios that have already been provided. The CAISO augments this information with information about how much additional generation can be deliverable beyond the previously-supplied portfolio amounts with the results of the generator queue cluster studies. The results are provided each year to the CPUC for consideration in developing the next round of renewable generation portfolios.").

² *E.g.*, Decision 21-02-008, at 8, 29, Feb. 17, 2021, *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M366/K426/366426300.PDF> (IRP decision transmitting resource portfolios to CAISO for the 2021-22 TPP).

Future queues

Going forward, it may be common for CAISO to experience a queue of this size due to the amount of renewable and storage resources California will need to meet its GHG reduction goals. This interconnection request window is particularly large due in part to the expectation that California needs about 10,000 MW or more of new resources by 2026. But this is likely not the last procurement order of this size coming from the CPUC that will drive a larger volume of interconnection requests.

California is at a point in time where it must significantly increase the renewable resources coming online over the next several years to continue to meet California's carbon reduction mandates. The Issue Paper and Draft Final Proposal makes a comparison between the number of megawatts in the queue and the peak demand on CAISO's system.³ However, the transition to a clean energy grid requires both dependable capacity and a significant amount of energy (much of which ultimately needs to be stored). Considering how much of the queue is storage that relies on other resources to generate energy and how many projects are expected to naturally drop out of the queue, CAISO will need to manage queues of historical size to bring online the clean resources the grid needs to produce and store energy.

In addition, the federal government has been discussing carbon policy such as setting a carbon-free grid requirement for 2035. Some in California have also discussed the need to accelerate SB 100's timeline. CAISO must be prepared to handle a larger interconnection queue if California is going to meet current or accelerated decarbonization goals. At the current rate of development, California is already behind the pace needed to achieve its current goals by 2045.

New resource technologies that emerge in the future may also be negatively impacted by this proposal by being forced to wait extensive periods to enter the queue. This in turn impacts the commercial viability of new resources California is counting on for reliability, effectively serving load at a reasonable cost, and meeting policy goals.

Cancelling future interconnection request windows

If CAISO periodically cancels future interconnection request windows, GSCE is concerned about stunting resource planning processes or providing those processes with outdated information; there will be far less transparency into areas that drive commercial interest and there will be a significant lag in data associated with in-state development. We see this as imposing a significant disadvantage to in-state resources compared to out of state resources and harming the IRP and in-state transmission planning. Such a result will especially impact areas like the Central Valley, which must start developing the backbone transmission that will support new in-state resources, allow for the successful retirement of DCP, and improve the north-south flows between northern and southern California.

³ CAISO, Supercluster Interconnection Procedures, Issue Paper & Draft Final Proposal, at 8, May 14, 2021.

Issue Paper and Draft Final Proposal Comments

A limited, temporary solution is more appropriate at this time

Permanently instituting the proposed tariff changes would create uncertainty in the marketplace, as CAISO would have the ability to cancel future interconnection request windows every other year and market participants would not know of the cancelled window until after the close of the window immediately preceding the cancelled window. This may lead to a flood of interconnection requests every other year, which in turn may lead to more speculative interconnection requests or interconnection requests from developers only intending to position themselves for the market uncertainty over the next two years. One could imagine cluster study interconnection requests becoming a *de facto* biennial window.

PTO-by-PTO study results

GSCE believes it would be harmful to developers to release study results on a PTO-by-PTO basis. We believe separating out the results by PTO would be discriminatory and unfairly disadvantage those projects dependent on the lagging PTO. We suggest that the study results be released only when they are complete for all PTOs.

Conclusion

We appreciate CAISO's consideration of these comments. GSCE looks forward to a continued engagement in this process.