

NEWS RELEASE

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California ISO Board Approves Generation Queue Reforms

The California Independent System Operator Corporation (California ISO) Board of Governors yesterday approved a vastly improved process that will accelerate the development of generation needed to meet California's Renewables Portfolio Standard and greenhouse gas (GHG) reduction goals. Power plant developers enter the ISO's generation interconnection queue as part of the process of getting their new generation projects, many of them renewable power plants, connected to the California grid.

The California ISO is supporting the state's environmental priority of reducing dependence on fossil fuels and greenhouse gas (GHG) emissions. In response to the state's renewable and GHG goals, renewable power developers are flooding the ISO's interconnection queue. Today, 361 interconnection requests totaling more than 105,000 megawatts (MWs) are pending in the interconnection study process. Of these, more than 68,000 MWs are from renewable resources.

These requests far exceed the California ISO historic peak demand of 50,270 MWs and also exceed the ability of the current interconnection procedures to efficiently process the requests. The current process calls for evaluating the needs of each interconnection request in the order received, a serial study approach.

Currently, the cost of transmission upgrades needed to accommodate the new generation is imposed on the first project that triggers the need. If one project in the interconnection "queue" drops out the change can impact other projects in line, forcing the California ISO to restudy the affected projects. In addition, an application fee of only \$10,000 and milestones that fail to provide a measure of commercial viability contribute to the high number of interconnection requests.

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The California ISO worked closely with stakeholders to develop the Generator Interconnection Process Reform (GIPR) to address these issues. The new process resolves the source of the backlog and other procedural flaws by increasing the financial commitment necessary for project developers to enter and progress through the interconnection process, studying projects with related system impacts in groups, and providing for pro-rata allocation of transmission upgrades across grouped projects. With these and other changes, the California ISO will have greater confidence that the projects being studied are commercially viable and will be able to study projects more efficiently. At the same time, project developers will have greater certainty about the timing of interconnection studies and their share of interconnection costs.

The Board approval today clears the way for the California ISO staff to file this new process with the Federal Energy Regulatory Commission by the end of the month.

➤ ISO ◀

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California's open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to 25,000 circuit miles of "electron highway." As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.