



Decision on Interconnection Process Enhancements – Track 2

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Interconnection Process Enhancement stakeholder initiative for 2018 (IPE 2018) identified 25 topics*

➤ **Track 1 – 7 topics approved in July**

➤ **Track 2**

- September ISO Board Meeting
- 12 of original topics have been consolidated into 8

➤ **Track 3**

- November ISO Board Meeting
- 4 topics

* 23 require tariff changes

Management is proposing eight generation interconnection process enhancements.

1. Allocating transmission plan deliverability
2. Options for converting to energy only
3. Options for transferring deliverability
4. Retaining energy storage facilities added to retiring generators
5. Generator Interconnection Agreement suspension
6. Eliminating conditions for partial recovery of financial security
7. Adding project names to interconnection queue
8. Prohibiting technology changes for delayed projects

1. Revise the transmission plan deliverability allocation criteria to better align with current generation procurement environment

- Modify to ensure that projects receiving an allocation are those most likely to move forward to commercial operation
- Improve opportunities for energy only projects
- Place greater controls on the non-PPA option

Stakeholder comments

- PG&E, SCE and Six Cities support the ISO proposal
- Many would like ability for energy only projects to re-enter the queue to be restudied, pay for upgrades, and seek deliverability – will be considered in a separate initiative
- First Solar and Intersect recommended PPAs with counterparties who don't have an RA requirement be eligible for an allocation
- First Solar recommended more time following Phase II to claim project will move forward without a PPA and to change COD if PPA is obtained
- EDF-R, LSA and NextEra recommend reducing PPA requirement from PPAs that require deliverability to PPAs that seek deliverability, but do not require deliverability

2. Add an option for projects to convert to energy only or partial capacity deliverability status later in the interconnection process
- Proposal will allow projects to request to convert at any time after the Phase II study
 - However, projects will retain the cost responsibility for still needed deliverability network upgrades ensuring PTOs and later-queued customers are not harmed.
 - Provides some exceptions to address stakeholder concerns

Stakeholder comments

- PG&E, SCE and Six Cities support the ISO proposal
- First Solar expressed concern with a specific group of projects that would be adversely impacted. The ISO modified the proposal to address concern with projects that lose their allocation in the retention process through no fault of their own.
- EDF-R, LSA and NextEra recommends either extra studies or ability to withdraw request to convert to Energy Only if deliverability upgrade is still needed
- Intersect recommends only retaining cost if deliverability upgrade is still needed for other projects in its cluster

3. Revise the deliverability transfer calculation methodology for transferring deliverability to new or existing generation

- Provide more options for:
 - Deliverability reservation and transfer for repowering generators
 - Deliverability transfer among generating units at a generating facility
 - Deliverability transfer within same interconnection request
 - Deliverability transfer for behind-the-meter capacity expansion

Stakeholder comments

- First Solar, PG&E, support the ISO proposal
- CESA, Intersect, SCE, SDG&E, Six Cities, TMEIC and Wellhead did not comment
- EDF-R, LSA and NextEra supports and recommend the option be extended to any project at the same point of interconnection, regardless of ownership

4. Retaining energy storage facilities added to retiring generators

- Clarify the generating unit retirement assessment process
 - Whether a storage facilities can be allowed to continue to operate
 - Determine mitigation when there is a reliability impact
 - Whether deliverability can be transferred to the storage facility

Stakeholder comments

- PG&E and SCE support the ISO proposal
- CESA, Intersect Power, SDG&E, Six Cities, TMEIC and Wellhead did not comment
- NextEra did question if in all circumstances the storage unit would have to mitigate the reliability impact

5. Revise generator interconnection agreement suspension process to require interconnection customers requesting suspension to provide a start and estimated end date that requires ISO approval
- Currently projects can request agreement suspension without providing suspension start and estimated end dates, and without requiring ISO approval

Stakeholder comments

- EDF-R, First Solar, NextEra, PG&E and SCE support the ISO proposal
- CESA, Intersect Power, LSA, SDG&E, Six Cities, and TMEIC did not comment
- Wellhead commented that the process should only be for projects with deliverability network upgrades

6. Eliminate the conditions for partial recovery of interconnection financial security for withdrawn projects

- Currently a project must meet certain conditions for partial recovery of their posted interconnection financial security for network upgrades
- Virtually all interconnection customers meet these conditions
- Proposal will eliminate the burden of proof on interconnection customers and the administrative effort on ISO and PTOs
- Proposal will allow refunds to be processed more quickly

Stakeholder comments

- All stakeholders support or did not comment on the ISO proposal

7. Add project names to the public interconnection queue report

- Currently project names are considered confidential
- Allows for better coordination with other state agencies
- Provides more transparency for customers seeking to identify unique project names that conform to ISO and NERC standards

Stakeholder comments

- All stakeholders support or did not comment on the ISO proposal
- LSA notes that ERCOT and PJM provide project names

8. Prohibiting technology changes for delayed projects

- Prohibit significant technology changes to projects having or requesting a commercial operation date beyond the 7/10 year tariff limit
 - Allow for de minimis technology changes (5% or 10 MW) beyond the 7/10 year limit
- Require commercial viability test for any project change request when project is already beyond the 7/10 year tariff limit

Stakeholder comments

- PG&E and SCE support the ISO proposal
- CESA, Intersect Power, SDG&E, Six Cities, TMEIC and Wellhead did not comment
- EDF-R, First Solar, LSA and NextEra recommend technology additions, not wholesale or partial changes, be allowed beyond the 7/10 year tariff limit

Management recommends the Board approve the proposed generator interconnection enhancements

- Improves effectiveness of allocating deliverability to projects
- Expands customer options, while protecting projects, PTOs and ratepayers
- Provides greater clarity, transparency, and information
- Increases refunds and reduces time to receive refunds
- Improves the interconnection procedures to help California and the West to continue to meet policy goals