

Topic 1 – Affected Systems

Appendix A: Definitions – Potentially Affected System

An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TOs' electric systems that are not part of the CAISO Controlled Grid.

The following are the proposed edits to Section 3.7 of Appendix DD and Appendix A of the CAISO tariff.

3.7 Coordination With Affected Systems

Pursuant to Section 3.7.1, the CAISO will notify the Potentially Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Group Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate with Potentially Affected System Operators the conduct of any studies required to determine the impact of the Interconnection Request on Potentially Affected Systems ~~with Affected System Operators~~, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIDAP. The CAISO will include ~~such~~ Potentially Affected System Operators in all meetings held with the Interconnection Customer as required by this GIDAP.

The Interconnection Customer will cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO's identification ~~to of~~ Interconnection Customer's name, and Generating Facility project name, ~~and release of information to the Potentially Affected System that which the information~~ the Interconnection Customer provided as part of its Interconnection Request ~~to the Affected System~~, and participating in any coordinating activities and communications undertaken by the Potentially Affected System or CAISO. If required by any Identified-Affected System, the Interconnection Customer will sign separate study agreements with the Identified-Affected System owners and paying for necessary studies. Identified-Affected Systems shall will cooperate with the CAISO in all matters related to the conduct of studies and the Affected System Operators' determination of modifications to Identified-Affected Systems.

3.7.1 Timing for Identification of Identified Affected Systems

The CAISO will provide notice to the Potentially Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Group Study within thirty (30) calendar days after determining which projects in each study cluster have posted their initial Interconnection Financial Security.

The CAISO may later notify Potentially Affected Systems if (i) the CAISO failed to identify the Potentially Affected System initially or (ii) the Interconnection Customer modifies its project such that an electric system operator becomes a potentially Affected System Operator. In such cases, or where a project converts from a Wholesale Distribution Access Tariff to the CAISO Tariff, the CAISO will coordinate with the Interconnection Customer and the potentially Affected System Operator to develop an expedited timeline to determine whether the

Potentially Affected System is an ~~Identified~~ Affected System. The CAISO will then notify the Interconnection Customer as soon as practical of the new ~~Identified~~ Affected System.

Within sixty (60) calendar days of notification from the CAISO, the ~~Potentially~~ Affected System Operator will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an ~~Identified~~ Affected System; or (ii) the electric system should not be considered an ~~Identified~~ Affected System. If the ~~Potentially~~ Affected System Operator fails to advise the CAISO within (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System.

If an electric system operator advises the CAISO that it is an ~~Identified~~ Affected System after the 60-day notification period, the CAISO will not delay the synchronization or Commercial Operation of the Generating Facility for a mitigation required by the Affected System unless the ~~electric system operator~~ Affected System Operator identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues ~~are~~ present, the CAISO will work with the Affected System Operator and the Interconnection Customer to establish temporary mitigations, if possible, for the identified reliability issue.

Absent a legitimate reliability issue, any mitigation the electric system operator that failed to timely identify as an ~~Identified~~ Affected System feels is necessary will be the responsibility of the electric system operator and not of the CAISO, the Participating Transmission Owner(s), or the Interconnection Customer. An Affected System's mitigation remedies that may be available outside the CAISO Tariff are unaffected by these provisions.

Appendix A – New Definition

~~Identified~~ Affected System –

A ~~Potentially~~ Affected System Operator who, as described in Section 3.7 of Appendix DD, either (1) responded affirmatively to the initial CAISO notification, or (2) was later deemed by the CAISO an Identified Affected System after a change in facts and circumstances.

Topic 2 –Time-In-Queue Limitations

The following language will become Section 6.7.4 *et seq.* of Appendix DD, Section 6.9.5 of Appendix Y, and Section 4.4.7 of Appendix U. For simplicity, the CAISO has included the references to Appendix DD below. Consistent language and formatting will apply to Appendices Y and U.¹

6.7.4 Milestone Modification, Time in Queue, and Commercial Viability Criteria

¹ Appendix S directs Interconnection Customers to Appendix U for deliverability.

Interconnection Customers may not retain their TP Deliverability² if they exceed seven (7) years³ in the interconnection process from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates that the Generating Facility is commercially viable. The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 to retain TP Deliverability.

The CAISO's agreement to an extension of the proposed Commercial Operation Date with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a. Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation "as data adequate" for the authority to initiate its review process;
- b. Providing proof of having an executed and regulator-approved power purchase agreement, attesting that the Generating Facilities will be balance-sheet financed, or otherwise receiving a binding commitment of project financing;
- c. Demonstrating Site Exclusivity for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Exclusivity Deposit does not satisfy this criterion;
- d. Having an executed Generator Interconnection Agreement ("GIA"); and
- e. Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy-Only Deliverability Status.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or one year after the Interconnection Customer exceeds seven years from the date the Interconnection Request is received, whichever occurs later.

² Will be FCDS, PCDS, or Deliverability in appendices Y and U, as applicable.

³ Will be ten years for Appendix U.

Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the project that is in-service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. If the Generating Facility downsizes pursuant to Section 7.5 to the amount in-service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Phase II Interconnection Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Phase II Interconnection Study report. This exemption is inapplicable to report addendums or revisions required by a request from an Interconnection Customer for any reason.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold and retaining their TP Deliverability pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the Deliverability Status of the Generating Facility corresponding to the Interconnection Request will convert to Energy-Only Deliverability Status.

6.7.6 Alignment with Power Purchase Agreements

An Interconnection Customer with an executed GIA and an executed, regulator-approved power purchase agreement may request to automatically extend the GIA Commercial Operation Date to align with its power purchase agreement for that project, including any extension or amendment. Interconnection Customers requesting alignment must (1) provide a copy of the power purchase agreement and evidence of regulatory approval, and (2) confirm the power purchase agreement's standing and details in the annual TP Deliverability affidavit process. Requests to align the Commercial Operation Date with power purchase agreements are not exempt from the commercial viability criteria provisions in Section 6.7.4, where applicable.