196 FERC ¶ 61,101
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

California Independent System Operator Corporation Docket No. ER26-2747-000

ORDER ON TARIFF REVISIONS

(Issued August 4, 2026)

1. On June 5, 2026, the California Independent System Operator Corporation (CAISO) submitted, pursuant to section 205 of the Federal Power Act (FPA)[1] and Part 35 of the Commission's regulations,[2] proposed revisions to CAISO's Open Access Transmission Tariff (Tariff) to amend its generator interconnection procedures. CAISO states that the Tariff revisions will enhance its interconnection procedures by adapting or enhancing existing policies and will also help serve first-ready projects. In this order, we accept in part and reject in part CAISO's proposed Tariff revisions, effective August 5, 2026, as requested.[3]

I. Background

2. CAISO explains that it has continually reviewed and enhanced its generator interconnection procedures to keep pace with federal, state, and local public policies and the associated evolution in generation development.[4] CAISO's 2023 Interconnection Process Enhancements (IPE 2023) initiative, launched in February 2023, targeted fundamental reforms in interconnection intake, queue management, and deliverability

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[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. pt. 35 (2025).

[3] See Appendix for tariff records accepted in this order.

[4] Transmittal at 4 (citing *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,169, at P 2 (2016) (describing CAISO generator interconnection enhancement initiatives since 2008); *Cal. Indep. Sys. Operator Corp.*, 180 FERC ¶ 61,143, at P 2 (2021) (describing additional generator interconnection enhancement initiatives); *Cal. Indep. Sys. Operator Corp.*, 182 FERC ¶ 61,196, at P 16 (2023) (accepting CAISO tariff revisions to enhance generator interconnection process)).

allocation. IPE 2023 consisted of three tracks, with Track 1 extending study deadlines and pausing cluster 15 until cluster 14 was completed.[5] Track 2, finalized in March 2024, introduced a zonal approach to prioritize projects within regions with available or planned transmission, capping study entry at 150% of capacity and applying scoring criteria to improve project selection.[6] In a separate Track 2 filing, CAISO also introduced several changes to the post-study process for projects in cluster 14 and earlier.[7] Track 3, approved by the Commission in mid-2025, added intra-cluster prioritization for mature projects, changed deadlines and fees for certain deposits, and introduced minor reforms to the deliverability allocation process.[8]

3. CAISO states that it launched IPE 5, which produced this filing, to build on IPE 2023.[9] CAISO explains that IPE 5 is part of a larger set of foundational framework improvements that are being coordinated among the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), and CAISO to help meet California's energy policy objectives in a timely and efficient manner. CAISO states that the overall strategic direction of these efforts is set forth in a Memorandum of Understanding between the CPUC, CEC, and CAISO, and that CAISO also has engaged in numerous discussions with other local regulatory authorities, utilities, and load serving entities (LSE) that are not CPUC-jurisdictional to ensure that CAISO's planning reflects their needs.[10]

II. Instant Fling

4. CAISO states that its proposed enhancements consist of seven independent, severable sets of Tariff revisions, the extension of the enhancements previously approved for clusters 14 and earlier so they will apply to clusters 15 and beyond, and a number of clean-up Tariff changes.[11]

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[5] *See Cal. Indep. Sys. Operator Corp.*, 184 FERC ¶ 61,069 (2023).

[6] *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 (2024), *order on reh'g*, 193 FERC ¶ 61,117 (2025).

[7] *Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,195 (2024).

[8] *Cal. Indep. Sys. Operator Corp.*, 191 FERC ¶ 61,218 (2025).

[9] Transmittal at 4-5.

[10] *Id*. at 5.

[11] *Id*. at 1-4.

A. Eliminating the requirement that projects meet corporate sustainability policies to achieve commercial interest points from a non-LSE

5. CAISO explains that, when a non-LSE awards commercial interest points to a project, it must execute an affidavit attesting, among other things, that the counterparty is supporting the interconnection request in support of corporate policy goals on sustainability.[12] CAISO states that many corporate entities have questioned the meaning and intent of this part of the affidavit, and that CAISO and its stakeholders believe it is unnecessary. As such, CAISO proposes to remove the requirement that the non-LSE affidavits attest that the counterparty is supporting the interconnection request in support of corporate policy goal on sustainability.

B. Adjusting the project size cap on the "full allocation" election for LSEs to award points to favored projects

6. CAISO states that some of the smaller LSEs in its footprint have expressed concern that, given the large size of most proposed generating facilities compared to the capacity of small LSEs, many small LSEs need to engage in intermittent procurement of large projects (as opposed to more frequent acquisition of smaller projects) and the current cap on the full allocation option does not accommodate this.[13] CAISO proposes to revise the methodology for determining an LSE's cap on the full allocation election to the lesser of 50% of the LSE's forecasted load, or 500 megawatts (MW).[14] CAISO argues that setting the cap at 50% of the LSE's forecasted load should be sufficient to allow smaller LSEs the ability to select projects of sufficient size to meet their future needs when they receive an allocation of commercial interest points that is lower than needed, while the 500 MW maximum limit ensures that larger LSEs cannot use their larger load shares to select large projects that could dominate the scoring and ranking process.[15] CAISO explains that the

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[12] *Id.* at 5-6.

[13] An interconnection customer may obtain up to 30 points in the commercial interest category by receiving up to 100 sub-points based on the ratio of its requested interconnection service capacity to the number of points allocated to it from the LSE (e.g., if the LSE awards a capacity amount to a project that equals the interconnection customer's requested interconnection service capacity, the interconnection customer will receive 100 sub-points). An interconnection customer receives 100 sub-points if selected by an LSE under the full allocation option, with LSEs able to reward up to 150% of its points if it allocates all its points to one project. *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 at P 126 n.213.

[14] Transmittal at 6-7.

[15] *Id.* at 7.

500 MW level is based on the 95th percentile of the interconnection service capacity of all projects shown in the queue report that have reached commercial operation.

C. Incorporating distribution system interconnection projects into the intake scoring process when they seek deliverability

7. CAISO explains that distribution-level interconnection requests in the CAISO balancing authority area that seek to provide wholesale energy are governed by the Participating Transmission Owners' (PTO) Wholesale Distribution Access Tariffs and other member utilities' similar tariffs.[16] CAISO further explains that the PTOs perform the reliability studies, but if the interconnection customer seeks deliverability, CAISO performs the deliverability studies and allocates deliverability to allow distributed projects to participate in the Resource Adequacy process in the same manner as transmission-connected projects.[17] CAISO states that it, and its stakeholders, became concerned that distributed projects' participation in deliverability studies have the potential to eat into available deliverability on the system, thereby making it harder for transmission-connected resources to proceed to the cluster study.

8. CAISO proposes to require distributed, wholesale projects seeking deliverability to participate in the same intake scoring process as CAISO interconnection customers seeking deliverability.[18] CAISO clarifies that distributed customers will be subject to the interconnection fee, deposit, and financing requirements of their applicable utility tariff and not the CAISO tariff. CAISO asserts that this rule avoids conflicts between the two tariffs, or requiring distributed customers to pay double costs. CAISO explains that this general rule has two exceptions: (1) distributed customers will be subject to any financial requirements set forth in the screening process itself, like auction tiebreaker deposits; and (2) if a distributed generating facility shares delivery network upgrades with other projects, it must provide security and authorization to the PTO based on the timelines set forth in the CAISO tariff, namely, to meet the commercial operation date of the earliest project sharing the upgrade.[19] CAISO states that these requirements are not currently part

[16] *Id.* at 8.

[17] *Id.* (citing CAISO, CAISO eTariff, app. DD § 9.3 (PTO Tariff Option for Deliverability Status) (5.0.0); *id.* app. KK § 9.3 (PTO Tariff Option for Deliverability Status) (1.1.0)).

[18] *Id.* (citing CAISO, CAISO eTariff, app. KK § 9.3 (PTO Tariff Option for Deliverability Status) (2.0.0)).

[19] *Id.* at 9 (citing CAISO, CAISO eTariff, app. KK § 13.6 (Shared Network Upgrades) (4.0.0)).

of the distribution tariffs, and argues that they are necessary to maintain a level playing field for distribution and transmission-connected customers throughout the study process. CAISO elaborates that distributed projects may withdraw their study requests at any time and that if, at any time, the project no longer has an active interconnection request under the PTO tariff, CAISO will deem it withdrawn.

D. Applying CAISO's commercial viability criteria to all projects requesting to remain in queue beyond seven years

9. CAISO proposes revisions to section 6.7.4 of Appendices DD and KK of its Tariff to apply CAISO's existing commercial viability criteria to all extension requests that would move an interconnection customer's commercial operation date beyond seven years. CAISO's proposed revisions extend the application of the existing commercial viability criteria to energy-only projects which are currently not subject to the commercial viability criteria. CAISO also proposes to revise section 6.7.4.1 of Appendices DD and KK of its Tariff to adjust the annual review process after projects already under the commercial viability criteria face a construction delay.

10. CAISO notes that the Commission's *pro forma* Large Generator Interconnection Procedures (LGIP) anticipate that interconnection requests should take no more than seven years to come online, but do not provide a hard limit on how long a project may remain in the queue.[20] CAISO states that it established commercial viability criteria in 2016 but limited its application to projects seeking to remain in the queue beyond seven years while retaining deliverability. CAISO explains that in the years following 2016, it has seen a significant increase in the number of energy-only projects entering the queue. Given this increase in energy-only projects, and an accompanying increase in the length of time of projects lingering in the queue, CAISO believes that it is prudent to expand the applicability of the commercial viability criteria to energy-only projects as well.[21]

11. CAISO argues that projects lingering in the queue can often hold transmission capacity, deliverability, and bus positions that future, viable interconnection projects could use.[22] Furthermore, CAISO argues that lingering projects can impact the accuracy of subsequent interconnection studies which can ultimately hinder CAISO's ability to manage the interconnection process. CAISO asserts that its proposal will put all interconnection customer extension requests on a level playing field, deter lingering in the queue, and improve the interconnection results for first-ready projects.

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[20] *Id.* at 10 (citing *pro forma* LGIP § 3.4.2).

[21] *Id.* at 10-12.

[22] *Id.* at 12.

12. CAISO notes that the Commission has already approved CAISO's commercial viability criteria as just and reasonable and should do so here as well.[23] CAISO also argues that it has structured its criteria to provide more than sufficient opportunity for interconnection customers to satisfy the proposed requirements before they become binding. CAISO notes that the new energy-only interconnection customers are near the beginning of their study process and will have years to prepare to meet these requirements. In addition, CAISO states that the interconnection customer has one year from the day of the extension request to meet the requirement of having a power purchase agreement.[24]

E. Adjusting the initial commercial readiness deposit due date

13. CAISO states that enforcing the initial commercial readiness deposit requirement during a 15-day window for hundreds of interconnection requests is unduly challenging. CAISO notes that a significant portion of the interconnection requests do not proceed to CAISO's cluster study because of CAISO's intake screening process.[25] Therefore, CAISO proposes to move the requirement to submit the commercial readiness deposit before the close of the customer engagement window instead of at the close of the initial interconnection request.[26]

F. Clarifying participation on CAISO's executive dispute committee

14. CAISO explains that projects deemed withdrawn by the CAISO have the option of appealing their withdrawal to the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) "Executive Dispute Committee," which consists of "the Vice President responsible for administration of [the] GIDAP, the CAISO Vice President responsible for customer affairs, and an additional Vice President."[27] CAISO states that the committee has five business days to uphold the withdrawal or restore the interconnection request. CAISO explains that, while it has been able to comply with this timeline thus far, it is concerned that it will not be able to comply with this Tariff provision if a named vice president is on leave or otherwise unavailable during the

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[23] *Id.* at 11 (citing *Cal. Indep. Sys. Operator Corp.*, 154 FERC ¶ 61,169).

[24] *Id.* at 14-15.

[25] *Id.* at 16-17.

[26] CAISO, CAISO eTariff, app. KK § 3.5.1 (Initiating an Interconnection Request) (4.0.0), § 3.5.1.6.

[27] CAISO, CAISO eTariff, app. DD § 15.5 (Disputes) (3.0.0); *id.* app. KK § 15.5 (Disputes) (0.1.0).

five-day window. Accordingly, CAISO proposes to enable the named vice presidents on the committee to appoint another CAISO vice president as a delegate if the named vice presidents are unavailable. CAISO also proposes to remove the term "GIDAP" from the committee's name because the committee oversees withdrawals from both the GIDAP and the Resource Interconnection Standards (RIS), and to de-capitalize the name of the committee.[28]

G. Removing the interconnection pre-application process

15. CAISO explains that currently the Tariff provides an opportunity for developers to request a "pre-application report" for generating facilities less than 20 MW containing certain site-specific data.[29] CAISO asserts that the packaging of these data could be accomplished by developer staff or consultants, but instead takes CAISO and PTO time away from cluster study processes. CAISO argues that this pre-application report process, which resulted from Order No. 792,[30] has been made redundant by other reforms that make the pre-application report information publicly available, especially the heatmap requirements from Order No. 2023.[31] Therefore, CAISO proposes to revise Section 1.3 of Appendix KK to remove the pre-application study process.

H. Adding the enhancements approved for clusters 14 and earlier to its tariff so they will apply to clusters 15 and beyond

16. CAISO notes that in 2024 the Commission approved several interconnection enhancements for clusters 14 and earlier, and that at the time CAISO did not propose adding those Tariff revisions to the new Tariff appendices to avoid overlapping revisions with CAISO's then-pending Order No. 2023 compliance filing.[32] CAISO now proposes to add those enhancements to its Tariff so they will apply to cluster 15 and beyond.

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[28] Transmittal at 17-18.

[29] *Id.* at 18.

[30] Transmittal at 18-19 (citing *Small Generator Interconnection Agreements & Procs.*, Order No. 792, 145 FERC ¶ 61,159 at P 37 (2013), *clarifying*, Order No. 792-A, 146 FERC ¶ 61,214 (2014)).

[31] *Id.* at 18; *see also Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, at P 135, *order on reh'g*, 185 FERC ¶ 61,063 (2023), *order on reh'g*, Order No. 2023-A, 186 FERC ¶ 61,199, *errata notice*, 188 FERC ¶ 61,134 (2024).

[32] Transmittal at 3 (citing *Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,195 at P 3).

CAISO states that its experience with these enhancements has only reinforced that they are critical to maintaining reliability, helping first-ready projects, and avoiding delays in the queue. CAISO argues that this Tariff revision continues to meet the independent entity variation standard because, as described in the original transmittal letter, it is consistent with the intent of Order No. 2023 policies and largely addresses CAISO specific regional issues.

17. CAISO explains that one of the enhancements approved in 2024 was the proposal to unify payment and authorization schedules among interconnection customers sharing network upgrades by including a requirement where, for any interconnection customer sharing an assigned network upgrade that has not executed a GIA or engineering and procurement agreement, the transmission owner will tender (1) a draft engineering and procurement agreement if the interconnection customer "parked" its interconnection request and is not ready to pursue a GIA, or (2) a draft GIA or GIA amendment, to the interconnection customer no later than 120 days before the deadline for posting security.[33] CAISO states that the interconnection request is deemed withdrawn should an interconnection customer fail to timely: (1) execute an engineering and procurement agreement or GIA or request an unexecuted agreement be filed; (2) submit the authorization to proceed; or (3) submit the third posting for the shared assigned network upgrade. In the instant filing, CAISO proposes to apply the enhancements approved for Cluster 14 and earlier to Cluster 15 and beyond in new section 13.6 to the RIS.[34]

I. <u>"Clean-up" Tariff changes</u>

18. CAISO explains that in 2024, it submitted over 1,000 pages of Tariff revisions to comply with Order No. 2023 and implement its landmark interconnection screening procedures. To implement everything effective for cluster 15, CAISO submitted these revisions as pancaked filings, dependent on the ultimate approval of its Order No. 2023 compliance filing. CAISO asserts that this process led to some typographical errors, improper carryovers from older Tariff appendices, and other minor errors. CAISO proposes what it states are a series of severable clean-up Tariff changes.[35]

19. CAISO states that one of these "clean-up" Tariff changes it proposes is to remove article 11.4.1.4 (Failure to Achieve Commercial Operation)[36] of Appendix EE

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[33] Transmittal attach. F at 7-9.

[34] Transmittal at 3.

[35] *Id.* at 2-3. CAISO asserts that each row of the table in Attachment E of the filing describes a severable proposed clean-up revision. *Id.* n.3.

[36] Article 11.4.1.4 provides that:

(Large Generator Interconnection Agreement for GIDAP), and LL (LGIA for Interconnection Requests Processed under the RIS). CAISO also proposes similar changes to the Small Generator Interconnection Agreements (SGIA) in Appendices FF (SGIA for GIDAP), and MM (SGIA for RIS). CAISO states that article 11.4.1.4 is an "anachronistic provision predating interconnection financial security and withdrawal penalty structures," is "inconsistent with current processing of refundable and non-refundable funds for withdrawals," and "directly contradicts current policy for post-GIA withdrawals in section 11.4.2 (Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades) of Appendix DD."[37]

III. Notice, Interventions, and Responsive Pleadings

20. Notice of CAISO's filing was published in the *Federal Register*, 91 Fed. Reg. 35201 (June 10, 2026) with protests and interventions due on or before June 26, 2026. The following entities filed timely motions to intervene: EDF Power Solutions, Inc., Pacific Gas and Electric Company, Solar Energy Industries Association, City of Santa Clara, CA d/b/a Silicon Valley Power, Modesto Irrigation District, and California Department of Water Resources State Water Project.

21. Timely motions to intervene and comments or protests were filed by Northern California Power Agency (NCPA), Clearway Energy Group LLC (Clearway), and Large-scale Solar Association (LSA).

22. Out-of-time motions to intervene were filed by Southern California Edison Company and NextEra Energy Resources, LLC.

> If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time provide refunds to Interconnection Customer for the amounts advanced for the Network Upgrades. Any refund shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R §35.19a(a)(2)(ii) (2025) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a refund on such payment pursuant to this subparagraph. Interconnection Customer may assign such refund rights to any person.

[37] Transmittal attach. E at 10.

23. On July 9, 2026, CAISO filed a motion for leave to answer and answer to the comments and protests.

A. Comments

24. Clearway and LSA (together, Protestors) separately filed protests arguing that CAISO fails to demonstrate that certain proposed revisions are just and reasonable or that it satisfies the independent entity variation standard with respect to certain proposed revisions. In particular, Protestors note that although CAISO represents that its proposal is a ministerial change, removal of article 11.4.1.4 is in fact a substantive change that impacts the rights and obligations of CAISO customers.[38]

25. Protestors argue that article 11.4.1.4 should not be removed because it allows interconnection customers to be reimbursed for the costs of those network upgrades that provide system-wide benefits, ensuring that network upgrade costs are allocated in a manner consistent with the Commission's cost-causation principles.[39] Clearway further argues that, contrary to CAISO's claim, article 11.4.1.4 is consistent with CAISO's Tariff and does not contradict or conflict with CAISO's current policy for post-GIA withdrawals in article 11.4.2 of Appendix DD.[40]

26. LSA, in addition, argues that the shared network upgrade requirements in proposed section 13.6 of Appendix KK would require project developers to accelerate security deposits into the early stages of project development, while simultaneously removing the possibility of refunds if the project withdraws from the queue or fails to achieve commercial operation.[41]

27. NCPA states that it supports the CAISO's proposed Tariff revision to adjust the full allocation cap for LSEs in the CAISO interconnection request intake scoring process, arguing that the proposed revision will better align the CAISO's scoring rules with the commercial realities faced by small LSEs and ensure that the scoring process more accurately reflects project viability, while remaining straightforward and administrable.[42]

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[38] Clearway Protest at 1-2; LSA Protest at 2.

[39] Clearway Protest at 14-16; LSA Protest at 15-17.

[40] Clearway Protest at 11-15.

[41] LSA Protest at 3.

[42] NCPA Comments at 4.

B. Answer

28. CAISO argues that the shared network upgrade requirements in section 13.6 of Appendix KK are substantively the same as those approved for cluster 14 and earlier, and notes that no parties, including LSA, sought rehearing of the order accepting those provisions.[43] CAISO argues that the Commission should accept application of these provisions to cluster 15 and beyond for the same reasons it accepted them in clusters 14 and earlier.

29. CAISO states that, upon consideration of the protests, it agrees that it should not pursue Commission approval to delete section 11.4.1.4 of Appendices EE and LL and section 5.3.1.4 of Appendices FF and MM at this time, and that it would not oppose the Commission's rejection of these proposed deletions without prejudice.[44]

IV. Discussion

A. Procedural Matters

30. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

31. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d), we grant the late-filed motions to intervene of Southern California Edison Company and NextEra Energy Resources, LLC given their interests in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

32. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2025), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept CAISO's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

33. As discussed below, we accept in part CAISO's proposed Tariff changes, effective August 5, 2026, as requested. However, we reject CAISO's proposal to remove the

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[43] CAISO Answer at 5-6.

[44] *See id.* at 4-5.

pro forma LGIP requirement to reimburse for constructed network upgrades where an interconnection customer fails to achieve commercial operation.

34. We limit our discussion below to the contested aspects of CAISO's proposal. We find that the aspects of CAISO's proposal that are not contested and not specifically discussed herein are just and reasonable, not unduly discriminatory or preferential, and accomplish the purposes of Order Nos. 2003 and 2023 because the revisions will ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.

35. We find that CAISO has not adequately demonstrated that its proposal to remove article 11.4.1.4 from Appendix EE and LL is just and reasonable under the independent entity variation standard.[45] In making that finding, we note CAISO's agreement with Protesters that it should not pursue removal of article 11.4.1.4 at this time.[46] Therefore, we reject without prejudice CAISO's proposal to remove article 11.4.1.4 from Appendices EE and LL. Accordingly, we direct CAISO to submit a compliance filing, within 30 days of the date of this order, that adopts the proposed revisions to Appendix LL article 11 with the exception of the removal of article 11.4.1.4. We similarly reject without prejudice CAISO's proposal to remove article 5.3.1.4 from Appendices FF and MM, which applies the same language as article 11.4.1.4 of Appendices EE and LL to small generator interconnections.

36. We accept CAISO's proposal to unify payment and authorization schedules among interconnection customers sharing network upgrades in new section 13.6 to Appendix KK. We agree with CAISO that the provisions included in this proposal are substantively similar to those the Commission accepted for cluster 14 and earlier projects, and we find that CAISO's proposed revisions, applied to cluster 15 and beyond, are just and reasonable and not unduly discriminatory or preferential, and that they meet the independent entity variation standard. As in the Commission's order accepting the shared network upgrade provisions for cluster 14 and earlier projects,[47] we find that unifying shared network upgrade construction requirements in the GIAs would help to

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[45] The Commission has granted independent entity variations from interconnection-related rulemakings where the RTO/ISO demonstrates that the proposed variation: (1) is just and reasonable and not unduly discriminatory or preferential; and (2) accomplishes the purposes of the final rule. *See, e.g.*, *ISO New Eng. Inc.*, 164 FERC ¶ 61,222, at P 9 (2018) (citing Order No. 2003, 104 FERC ¶ 61,103 at PP 26, 827; *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,247, at P 20 (2016); *Cal. Indep. Sys. Operator Corp.*, 140 FERC ¶ 61,070, at P 44 (2012)).

[46] CAISO Answer at 3-4.

[47] *See Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,195 at P 16.

ensure that transmission owners efficiently construct transmission facilities for first-ready projects. Further, we find that these provisions, as applied to clusters 15 and beyond, will help to ensure that interconnection customers sharing a network upgrade have sufficient time to negotiate their agreements and arrange financing without the risk of one customer delaying construction to the detriment of the other customers. For these reasons, we are unpersuaded by LSA's argument.

The Commission orders:

(A) CAISO's proposed Tariff revisions are hereby accepted in part, effective August 5, 2026, and rejected in part, as discussed in the body of the order.

(B) CAISO is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission. Commissioner LaCerte is concurring with a separate statement attached.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

Appendix – Tariff Records

California Independent System Operator Corporation
CAISO eTariff

- 25.1, Applicability (12.0.0) A
- App DD, Section 6, Initial Activities & Phase I Study Request for Queue Cluster (23.0.0)
- App DD, Section 15, Miscellaneous (4.0.0)
- App EE, Article 5, Interconnection Facilities Engineering, Procurement, Constru (13.0.0)
- App KK, Section 1, Objectives and Applicability (1.0.0)
- App KK, Section 2, Scope and Application (1.0.0)
- App KK, Section 3, Interconnection Requests (4.0.0)
- App KK, Section 4, Cluster Study Criteria (3.0.0)
- App KK, Section 5, Fast Track Process (2.0.0)
- App KK, Section 6, Cluster Study Process (4.0.0)
- App KK, Section 7, Annual Reassessment, Cluster Restudy & Activities (2.0.0)
- App KK, Section 8, Interconnection Facilities Study & TP Deliverability (6.0.0)
- App KK, Section 9, Additional Deliverability Assessment Options (2.0.0)
- App KK, Section 10, Cost Responsibility for Interconnection Customers (2.0.0)
- App KK, Section 11, Commercial Readiness Deposit and GIA Deposit (2.0.0)
- App KK, Section 13, Generator Interconnection Agreement (GIA) (4.0.0)
- App KK, Section 15, Miscellaneous (1.0.0)
- App KK, Appendix 3, Cluster Study Agreement for Queue Clusters (1.0.0)
- App KK, Appendix 4, Agreement for the Allocation of Responsibilities (1.0.0)
- App LL, Article 1, Definitions (1.0.0)
- App LL, Article 2, Effective Date, Term and Termination (1.0.0)
- App LL, Article 3, Regulatory Filings and CAISO Tariff Compliance (1.0.0)
- App LL, Article 4, Scope of Service (1.0.0)
- App LL, Article 5, Interconnection Facilities Engineering, Procurement & Const (1.0.0)
- App LL, Article 11, Performance Obligation (1.0.0)
- App LL, Appendix H, Interconnection Requirements for Generating Facility (1.0.0)
- App MM, Attachment 7, Interconnection Requirements - Asynchronous Gen. Facility (1.0.0)

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation Docket No. ER26-2747-000

(Issued August 4, 2026)

LACERTE, Commissioner, *concurring*:

1. I support today's order because these CAISO Tariff modifications, such as the revised cap on the full allocation election, will support the integrity and fairness of the streamlined generator interconnection process. I write separately to highlight the fact that one of these provisions, section 13.6 of Appendix KK, which unifies payment schedules for shared network upgrades, could potentially result in some project developers having to accelerate security deposits in the early stages of project development, before they are assured of transmission deliverability. Customers have three opportunities to obtain deliverability, or they must withdraw from the queue.

2. Nevertheless, I support the extension of section 13.6 to Cluster 15 and beyond for several reasons. First, big picture, this provision will help ensure that network upgrades are timely built, which in turn will support the availability of generation that is essential to maintaining resource adequacy.[1] Second, today's order retains Article 11.4.1.4, which provides developers with the possibility of refunds if the project withdraws from the queue or fails to achieve commercial operation due to lack of deliverability or other reasons. Additionally, recognizing the crucial role that transmission deliverability plays in interconnection customers' ability to move forward,[2] today's order also revises the Tariff to help ensure that distribution-level interconnected projects, which compete with transmission-level interconnected projects for deliverability, are subject to the same requirements, and are therefore less likely to unfairly cut into the available deliverability for wholesale-level projects.

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[1] *See Cal. Indep. Sys. Operator Corp.*, 189 FERC ¶ 61,195, at P 16 (2024) (The Commission has recognized that unifying the payment and authorization schedules among interconnection customers sharing network upgrades is important to mitigate the risk of one customer delaying construction to the detriment of the other customers).

[2] *So. Cal. Edison Co.*, 195 FERC ¶ 61,026 (2026) (Comm'r LaCerte, concurring, at P 2) ("CAISO and the CAISO Tariff recognize the important role that transmission deliverability plays in interconnection customers' decisions to continue to proceed to interconnection.").

3. Finally, I note that the success of section 13.6 is at least partially contingent on CAISO timely completing its deliverability studies so customers may make informed decisions. Thus, while I approve the acceptance of section 13.6, I encourage CAISO to sustain its end of the bargain as well.

For these reasons, I respectfully concur.

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David LaCerte
Commissioner