

189 FERC ¶ 61,195
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang

California Independent System Operator Corporation

Docket No. ER25-131-000

ORDER ON TARIFF REVISIONS

(Issued December 16, 2024)

1. On October 17, 2024, 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 and Deliverability Allocation Procedures (GIDAP) and its associated generator interconnection agreements (GIAs), as applied to Cluster 14 and earlier interconnection customers that have not already executed GIAs. CAISO states that the Tariff revisions will help manage the large volume of interconnection requests already studied but for which GIAs have not yet been executed or requested to be filed unexecuted or for which the construction of network upgrades has not yet begun. In this order, we accept CAISO's proposed Tariff revisions, effective December 17, 2024, as requested.

I. Background

2. CAISO explains that the proposed Tariff revisions are the result of its Interconnection Process Enhancements 2023 (IPE 2023) initiative coordinated among the California Public Utilities Commission (CPUC), the California Energy Commission, and CAISO to help meet California's energy policy objectives in a timely and efficient manner. CAISO states that it has engaged in discussions with other local regulatory authorities, utilities, and Load Serving Entities (LSEs) that are not CPUC-jurisdictional to ensure CAISO's planning reflects their needs. CAISO asserts that the IPE 2023 initiative leverages the improved coordinated planning resulting from these discussions and will result in a more efficient interconnection process while helping to further break down barriers to efficient and timely resource development. CAISO states that the stakeholder process for Phase 1 of the IPE 2023 initiative includes three separate but related tracks: Track 1 resulted in CAISO's Tariff revisions to extend the remaining interconnection

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2024).

study deadlines for Cluster 14 and pause Cluster 15; Track 2 resulted in Tariff revisions to address the intake process for Cluster 15 and beyond, as well as the enhancements proposed in the instant filing; and Track 3 is underway and will consider additional issues raised by stakeholders regarding the allocation of Transmission Plan deliverability (TP deliverability) and intra-cluster prioritization for Cluster 14 and earlier.³

3. As discussed further below, CAISO's proposed Tariff revisions in the instant filing, which CAISO requests be made effective December 17, 2024, only pertain to CAISO's Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and its associated GIAs, impacting only queue Clusters 14 and earlier. In the instant filing, CAISO states that the proposed Tariff revisions do not apply to interconnection customers that have already executed GIAs or have requested that GIAs be filed unexecuted, and do not pertain to Cluster 15 and later.⁴ CAISO states that it is not proposing to implement these enhancements for Cluster 15 and beyond to avoid overlapping Tariff revisions with CAISO's pending Order No. 2023 compliance filing.⁵

³ Transmittal at 4 (citing *Cal. Indep. Sys. Operator Corp.*, 184 FERC ¶ 61,069 (2023) (accepting Tariff revisions to extend the remaining Cluster 14 interconnection deadlines and pause Cluster 15). Cluster 14 interconnection applications were submitted in April 2021 and were due to undergo a two-year study process. In September 2021, CAISO extended the interconnection timelines for Cluster 14 due to the volume of interconnection requests. *Cal. Indep. Sys. Operator Corp.*, 176 FERC ¶ 61,207 (2021). In August 2023, CAISO further extended the timelines for Cluster 14 and paused the Cluster 15 interconnection queue cluster. *Cal. Indep. Sys. Operator Corp.*, 184 FERC ¶ 61,069 (2023). Cluster 15 interconnection requests were submitted in April 2023 and the cluster was paused until the Commission accepted CAISO's request to un-pause the cluster and implement various reforms to the interconnection processes on September 30, 2024. *Cal. Indep. Sys. Operator Corp.*, 188 FERC ¶ 61,225 (2024) (accepting Tariff revisions to implement a zonal approach to cluster studies to determine where new generation is able to be deliverable based on available transmission capacity and establish four sets of cluster study criteria that interconnection customers must satisfy to proceed to the cluster study, depending on the objectives of the interconnection request).

⁴ The Tariff revisions in this filing pertain to the GIDAP in Appendix DD and associated GIAs in Appendices EE and FF. CAISO explains that it is not proposing to revise its proposed new Resource Interconnection Standards (RIS) pending in its Order No. 2023 compliance filing in Appendix KK or its associated GIAs in Appendices LL and MM. Transmittal at 2-3.

⁵ *Id.* CAISO states that, unlike its recent filing proposing revisions to the Cluster 15 intake process, while the Tariff revisions proposed in the instant filing touch on some reforms from Order No. 2023, CAISO does not propose revisions to any section of its tariff pending Commission acceptance of its Order No. 2023 compliance filing. CAISO asserts that although it believes the proposed Tariff revisions in the instant filing would comply with the reforms required by Order No. 2023, it is not proposing to apply the

Additionally, CAISO notes that the proposed Tariff revisions would not be relevant to Cluster 15 for years because they pertain to post-study processes, and Cluster 15 will not commence its cluster study until mid-2025.⁶

II. Instant Filing

4. CAISO proposes six independent, severable sets of Tariff revisions to: (1) align the Small GIA (SGIA) plant data recording and reporting requirements with the Large GIA (LGIA) requirements for asynchronous resources; (2) update the GIA phase angle measuring unit (PAMU) data granularity; (3) unify shared network upgrade construction requirements; (4) update material modification⁷ assessment (MMA) request timelines and deposits; (5) create a new “implementation deposit” for specific customer costs after the interconnection studies; and (6) limit lingering in queue after deliverability transfers. CAISO states that its proposed Tariff revisions satisfy the independent entity variation standard and the just and reasonable standard.⁸

III. Notice, Interventions, and Responsive Pleadings

5. Notice of CAISO’s filing was published in the *Federal Register*, 89 Fed. Reg. 84563 (Oct. 23, 2024) with protests and interventions due on or before November 7, 2024. The following entities filed timely motions to intervene: Calpine Corporation; Pacific Gas and Electric Company; the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; the City of Santa Clara, California; the California Department of Water Resources State Water Project; and the Northern California Power Agency. No comments or protests were filed.

proposed Tariff revisions in the instant filing to Cluster 15 and beyond to avoid overlapping tariff revisions with its Order No. 2023 compliance filing. *Id.* at 3.

⁶ *Id.*

⁷ The Tariff defines a Material Modification as “[a] modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date” (CAISO, CAISO eTariff, app. EE (Large Generator Interconnection Agreement for GIDAP), art. 1 (Definitions) (11.0.0) (defining Material Modification)). Interconnection customers may request modifications to any information in their interconnection request no later than 10 days following their Phase I Interconnection Study Results Meeting (CAISO, CAISO eTariff, app. DD, § 6 (Initial Activities & Phase I Study Request for Queue Cluster (21.0.0), § 6.7.2.3)).

⁸ Transmittal at 1-2.

IV. Discussion

A. Procedural Matters

6. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

1. General Matters

7. We find that CAISO's proposed Tariff revisions implementing reforms to its GIDAP and associated GIAs are just and reasonable and not unduly discriminatory or preferential, and accomplish the purposes of the Commission's final rules on generator interconnection under Order No. 2003⁹ and on small generator interconnection under Order No. 2006¹⁰ by helping to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner. Specifically, we find that CAISO's proposals, which are discussed in greater detail below, will improve the accuracy of data about the system, help mitigate reliability issues, enhance the certainty and efficiency of the network upgrade process, improve the cost and timeline certainty of the MMA process, ensure that the costs of managing interconnection requests between GIA execution and commercial operation are not allocated to all market participants, and reduce administrative overhead. As such, consistent with the discussion of each element of CAISO's proposal below, we find that CAISO's proposed revisions are just and reasonable and not unduly discriminatory or preferential, and that they meet the independent entity variation standard.

8. We note that these Tariff proposals are not being evaluated for compliance with Order No. 2023 because, as explained above, these revisions pertain to the GIDAP in Appendix DD and associated GIAs in Appendices EE and FF of the Tariff.¹¹ The GIDAP, and thus the revisions to the GIDAP in the instant filing, will apply only to

⁹ *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103, at PP 26, 827 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

¹⁰ *Standardization of Small Generator Interconnection Agreements & Procs.*, Order No. 2006, 111 FERC ¶ 61,220 (2005), *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order on reh'g*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006)

¹¹ *See supra* n.4.

interconnection requests studied in Cluster 14 and prior clusters, which were studied before the issuance of Order No. 2023. To avoid overlapping Tariff revisions with its pending Order No. 2023 compliance filing, CAISO is not proposing changes to interconnection procedures for Cluster 15 and subsequent clusters in this filing.¹² We discuss each element of CAISO's instant proposal in detail below.

2. Aligning SGIA Plant Data Recording and Reporting Requirements

a. CAISO Filing

9. CAISO proposes to subject new small asynchronous generating facilities¹³ in Clusters 14 or earlier to fault recording requirements, which CAISO currently only applies to asynchronous generating facilities larger than 20 MW.¹⁴ Under the currently effective Tariff, large generating facilities must record plant level data at one millisecond level of resolution, store the data for a minimum of 30 days, and provide all data to CAISO or a transmission owner within 10 calendar days of a request.¹⁵ Under the currently effective Tariff, small generating facilities are exempt from the plant data recording and reporting requirements that apply to large generating facilities. According to CAISO, when these data recording requirements were first imposed, CAISO exempted small generating facilities to ensure the data recording technology was available and affordable.¹⁶ However, CAISO states that despite their size, the proliferation of small generating facilities plays a critical role in ensuring reliability, and CAISO argues that the lack of data requirements for these facilities often leaves critical holes in the history of grid events. CAISO explains that the technology used to comply with the recording requirements is now commonplace and relatively inexpensive for generating facilities.¹⁷

¹² Transmittal at 2-3.

¹³ An asynchronous generating facility is defined as “[a]n induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.” Appendix A of the CAISO Tariff. CAISO states that solar and wind units are the most common inverter-based resources. Transmittal at 5 (citing CAISO, CAISO eTariff, app. A (Asynchronous Generating Facility) (0.0.0)).

¹⁴ Transmittal at 5-6.

¹⁵ CAISO, CAISO eTariff, app. EE, app. H (Interconnection Requirements for an Asynchronous Generating Facility) (4.0.0), § A(vi).

¹⁶ Transmittal at 5-6 (citing *Cal. Indep. Sys. Operator Corp.*, 168 FERC ¶ 61,003 (2019)).

¹⁷ *Id.* at 6.

In this filing, CAISO proposes to extend plant data recording and reporting requirements to SGIA's in order to help CAISO and other stakeholders understand the voltage and frequency disturbances of small generating facilities. Further, CAISO believes that subjecting small, asynchronous generating facilities to the same data recording requirements of large, asynchronous generating facilities will aid in diagnosing system faults and prevent future occurrences.¹⁸

b. Commission Determination

10. We accept CAISO's proposal to subject small asynchronous generating facilities to the same plant data recording requirements that apply to large asynchronous generating facilities. We find that aligning SGIA plant data recording and reporting requirements with LGIA requirements for asynchronous resources can help mitigate reliability issues. CAISO explains that these recording requirements have helped CAISO, reliability entities, and stakeholders understand voltage and frequency disturbances and identify and mitigate their causes.

3. Updating the GIA PAMU Data Granularity

a. CAISO Filing

11. CAISO proposes to update the granularity of the GIA PAMU data requirements for asynchronous generating facilities.¹⁹ CAISO explains that PAMUs track voltage shifts on grid facilities and are generally part of circuit relays, and that currently the LGIA data recording provision requires asynchronous generating facilities to provide PAMU data at a resolution of 30 samples per second.²⁰ CAISO states that the current resolution standards are not granular enough to be of use for any analysis when there are faults on the system.²¹ To remedy this, CAISO proposes a change that will provide 960 samples per second versus the current 30 samples per second, which CAISO explains exists as a common setting for modern relays.²² CAISO states that this change is

¹⁸ *Id.* (citing CAISO, CAISO eTariff, app. FF, attach. 7 (Interconnection Requirements for an Asynchronous Small Generating Facility) (5.0.0)).

¹⁹ *Id.* at 6-7.

²⁰ *Id.* at 6 (citing CAISO, CAISO eTariff, app. EE, app. H (Interconnection Requirements for an Asynchronous Generating Facility) (5.0.0), § A(vi)).

²¹ *Id.*

²² *Id.* at 6-7 (citing CAISO, CAISO eTariff, app. EE, app. H (Interconnection Requirements for an Asynchronous Generating Facility) (5.0.0), § (A)(i)(1); *id.* app. FF, attach. 7 (Interconnection Requirements for an Asynchronous Small Generating Facility) (5.0.0)). This threshold change will apply to both the LGIA and the SGIA.

intended to aid CAISO, reliability entities, and stakeholders in understanding and mitigating voltage issues on the grid. CAISO states that because this granularity is already a common default setting for relays, it does not expect any inconvenience or new expense from this change.²³

b. Commission Determination

12. We accept CAISO's proposal to enhance the granularity of PAMU data that asynchronous generating facilities are required to provide. We find that more granular PAMU data, which will provide CAISO with 960 samples per second, should help mitigate reliability issues by enabling CAISO, reliability entities, and stakeholders to better understand and mitigate voltage issues on the transmission and distribution systems.

4. Unifying Shared Network Upgrade Construction Requirements

a. CAISO Filing

13. CAISO proposes to unify payment and authorization schedules among interconnection customers sharing network upgrades.²⁴ According to CAISO, GIAs typically set forth specific milestones for phased financing and construction, and the interconnection customer provides payments toward construction as the transmission owner requires it for the construction schedule.²⁵ CAISO explains that GIAs frequently differ based on the construction timeline of each interconnection customer. CAISO proposes to require that interconnection customers sharing a network upgrade provide the financing and authorization to construct the shared network upgrade simultaneously, based on the construction timeline necessary to achieve the earliest interconnection customer's commercial operation date.²⁶ CAISO states that once identified in the

²³ *Id.* at 7.

²⁴ *Id.* at 7-8.

²⁵ *Id.* at 7. CAISO's Tariff provides for three different financial security postings for each interconnection customer in a queue cluster. The first posting must be made no later than 90 calendar days after the issuance of the final Phase 1 interconnection study report. The second posting may be made any time after issuance of the final Phase II interconnection study report but no later than 180 calendar days after issuance of the final Phase II interconnection study report. The third posting must be made prior to the start of construction activities. CAISO, CAISO eTariff, app. DD, § 11 (Interconnection Financial Security) (11.0.0).

²⁶ Transmittal at 7-8 (citing CAISO, CAISO eTariff, app. DD, § 11 (Interconnection Financial Security) (11.0.0), § 11.3.2.6).

interconnection studies, CAISO and the transmission owner will notify the other interconnection customers sharing the network upgrade when their third posting will be required based on the construction timeline required to meet the earliest in-service date of the interconnection customers sharing the network upgrade.²⁷

14. CAISO explains that generally interconnection customers share network upgrades in the same cluster and thus receive draft GIAs simultaneously. To ensure sufficient notice and time for negotiation, CAISO proposes to include a requirement where for any interconnection customer sharing the 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 third posting deadline.²⁸ Further, CAISO states that the interconnection customer must execute the engineering and procurement agreement or GIA, or request that the GIA be filed unexecuted prior to the deadline to post. The interconnection request will be 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. CAISO asserts that these provisions will ensure that all interconnection customers sharing a network upgrade have sufficient time to negotiate their agreements and arrange financing, without delaying the construction of the shared network upgrade to the other interconnection customers’ detriment.²⁹

15. For transparency and tracking, CAISO also proposes to require each interconnection customer to provide written notice that it has posted the required interconnection financial security no later than the applicable final day for posting.³⁰ CAISO states that no later than 30 days after receipt of authorization and financing,

²⁷ *Id.* at 8. Interconnection customers and transmission owners may have separate posting and authorization deadlines for each shared network upgrade and other non-shared network upgrades.

²⁸ *Id.* at 8-9. As noted above, the third posting is the posting which must be made prior to the start of construction activities (CAISO, CAISO eTariff, app. DD, § 11 (Interconnection Financial Security) (11.0.0), § 11.3.2). CAISO states that the third posting provides the financial security necessary to finance the network upgrade. *Id.* at 8.

²⁹ *Id.* at 9.

³⁰ *Id.*

the transmission owner will commence construction activities on the shared network upgrade.³¹

b. Commission Determination

16. We accept CAISO's proposal to unify payment and authorization schedules among interconnection customers sharing network upgrades. We find that these provisions will 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. Additionally, we find that unifying shared network upgrade construction requirements in the GIAs will help ensure that transmission owners efficiently construct transmission facilities for first-ready projects.

5. MMA Request Timelines and Deposits

a. CAISO Filing

17. CAISO proposes to increase the MMA deposit cost from \$10,000 to \$30,000, and to extend the estimated time to complete an MMA from 45 days to 60 days.³² CAISO maintains that it has one of the most flexible MMA processes in the nation, allowing interconnection customers to effect complex modifications such as energy storage additions, generating technology changes, and repowers without submitting new interconnection requests. However, CAISO claims that allowing such flexibility in studying complex MMAs comes at an administrative cost to CAISO and transmission owners in the form of extended deadlines and the need to request additional funds because the assessment costs exceed the \$10,000 deposit.³³ CAISO states that although some simple MMAs can be approved in one to two weeks if the initial data provided is accurate and complete, many take much longer due to the complex engineering analyses CAISO needs to complete, requiring CAISO to extend the 45-day timeline and explain to generating unit owners why more time is required. Additionally, CAISO states the \$10,000 MMA deposit cost has not been updated for many years, while the average cost for an MMA has steadily risen, resulting in CAISO having to frequently request additional funds from interconnection customers.³⁴

³¹ *Id.*

³² *Id.* at 11 (citing CAISO, CAISO eTariff, app. DD, § 6 (Initial Activities of Phase I of the Interconnection Study Process for Queue Clusters) (22.0.0), § 6.7.2.3).

³³ *Id.* CAISO states that in 2024 the average cost for an MMA was \$11,871, with individual assessments costing up to \$43,636 for complex engineering analyses.

³⁴ *Id.*

18. CAISO states that stakeholders have indicated they would rather pay a higher deposit that stays ahead of inflation and generally provides some level of refund than submit additional funds because actual costs exceeded their initial deposit. CAISO does not propose to change its current practice that, if the actual costs of the modification assessment are less than the deposit provided by the interconnection customer, the interconnection customer will be refunded the balance.³⁵

b. Commission Determination

19. We accept CAISO's proposal to increase the MMA deposit cost and extend the estimated timeline to complete the MMA. We find that increasing the MMA deposit cost will help CAISO and interconnection customers avoid the administrative burden of frequently requesting additional funds, improving the certainty of the interconnection process. In addition, we find that extending the timeline for MMA completion will set more accurate expectations for interconnection customers and improve the certainty of the interconnection process by allowing CAISO and interconnection customers to avoid frequently requesting extensions.

6. Post-Interconnection Studies Implementation Deposit

a. CAISO Filing

20. CAISO proposes to require a new "implementation deposit" of \$35,000 due within 30 days of the effective date of an interconnection customer's GIA.³⁶ CAISO states that it has several dozen employees who dedicate the majority of their time to generator interconnection issues including: queue management, preparing GIA amendments, preparing market agreements, modeling and testing for synchronization, preparing for metering and telemetry, and incorporating the generating units into the CAISO markets.³⁷ CAISO explains that although it collects interconnection study deposits, these deposits only cover costs through the completion of the Phase II Interconnection Facilities Study, or less than half the total staff and man-hours dedicated to interconnection customer-specific work. CAISO explains that these unrecovered costs are passed on to CAISO market participants in the form of CAISO's Grid Management Charge, resulting in cost allocation inefficiencies. CAISO further explains that it believes, based on its analysis of man-hours spent and staff billing rates for specific interconnection requests in the years between studies and commercial operation, that

³⁵ CAISO, CAISO eTariff, app. DD, § 6 (Initial Activities & Phase I Study Request for Queue Cluster (21.0.0), § 6.7.2.3)

³⁶ Transmittal at 13 (citing CAISO, CAISO eTariff, app. DD, § 13 (Generator Interconnection Agreement (GIA)) (6.0.0), § 13.3.1).

³⁷ *Id.* at 13-14.

\$35,000 will be sufficient to cover the cost of most interconnection requests.³⁸ CAISO states that the implementation deposit will pay for prudent costs incurred by CAISO or its consultants to manage the interconnection request between GIA execution and commercial operation.³⁹ CAISO states that its staff will track their time to specific interconnection customers, just as they do today for interconnection studies. As such, CAISO states that interconnection customers with more complex needs after the studies will be assessed more costs than interconnection customers with less complex needs. CAISO explains that upon commercial operation or withdrawal from the queue, CAISO will refund remaining deposit funds, with any interest earned, to the interconnection customer. Further, CAISO states that the implementation deposit for GIDAP interconnection customers will not be subject to any refund penalty if and when the customer withdraws; CAISO will simply refund the deposit minus costs incurred.⁴⁰

b. Commission Determination

21. We accept CAISO's proposal to create a new implementation deposit to cover expenses incurred between GIA execution or the request to file the GIA unexecuted and commercial operation. We find that creating a new implementation deposit for costs after the interconnection studies are completed will address the cost allocation problem CAISO identifies by ensuring that the costs of managing interconnection requests between GIA execution or the request to file the GIA unexecuted and commercial operation are not allocated to all market participants, consistent with Order No. 2003's requirement that interconnection customers pay the actual costs of their studies.⁴¹

7. Limiting Linger in Queue After Deliverability Transfers

a. CAISO Filing

22. CAISO proposes Tariff revisions to limit interconnection customers from lingering in the interconnection queue. Under its proposal, a customer must remove energy only generating capacity from the queue when giving up its deliverability, unless the customer provides an energy only power purchase agreement that demonstrates that its generating capacity is viable without needing to reacquire deliverability.⁴² CAISO states that interconnection customers can remove the assignor generating capacity from

³⁸ *Id.* at 13.

³⁹ *Id.*

⁴⁰ *Id.* at 14.

⁴¹ Order No. 2003, 104 FERC ¶ 61,103, at P 37.

⁴² Transmittal at 10 (citing CAISO, CAISO eTariff, app. DD, § 8 (Phase II Interconnection Study and TP Deliverability Allocation Processes) (21.0.0), § 8.9.9).

the queue either through withdrawal or downsizing. CAISO explains that after the study processes and the deliverability allocation process, CAISO allows interconnection customers to transfer deliverability to other generating units at the same substation and same voltage level. According to CAISO, most transfers occur within the same generating facility, allowing a generating facility to optimize its deliverability allocations among its generating units based on procurement needs.⁴³ However, CAISO states that generating units assigning away their deliverability unduly linger in queue. CAISO suggests that the developer may be marketing the project to other LSEs, or waiting to see if it can “double dip” the now-energy only resource in the deliverability allocation process and reacquire deliverability, while the project tries to avoid GIA milestones through suspension or modification.⁴⁴ CAISO asserts that this is an undesirable result that causes queue backlogs, construction delays, and wasted administrative resources. CAISO argues that projects that become energy only under these circumstances rarely, if ever, achieve commercial operation.

23. Separately, but still related to deliverability transfers, CAISO proposes to clarify that when an interconnection customer has restrictions to acquire or retain its deliverability, any assignee of the deliverability inherits those restrictions.⁴⁵ For example, pursuant to existing section 8.9.3 of Appendix DD of the Tariff, if an interconnection customer acquires deliverability because it was shortlisted for a power purchase agreement, that interconnection customer is required to provide an executed power purchase agreement by the next year. CAISO proposes to modify section 8.9.9 of Appendix DD of its Tariff to clarify that the same requirement in section 8.9.3 applies to an assignee after a deliverability transfer. Specifically, if an interconnection customer assigns deliverability before the next year, the assignee must provide an executed power purchase agreement by the next year. In short, CAISO states that interconnection customers cannot use deliverability transfers to try to circumvent CAISO’s filed rate, and argues that including the clarifying provision will enhance transparency.⁴⁶

b. Commission Determination

24. We accept CAISO’s proposal to limit an interconnection customer’s ability to remain in the queue after deliverability transfers. We find that requiring interconnection customers transferring their deliverability and moving to energy only status to provide an energy only power purchase agreement will reduce queue backlogs, construction delays,

⁴³ *Id.* at 9.

⁴⁴ *Id.* at 10.

⁴⁵ *Id.* (citing CAISO, CAISO eTariff, app. DD, § 8 (Phase II Interconnection Study and TP Deliverability Allocation Processes) (21.0.0), § 8.9.9).

⁴⁶ *Id.*

and wasted administrative resources by ensuring they do not linger in the queue while seeking to retain the ability to re-allocate deliverability through the deliverability allocation process.

The Commission orders:

CAISO's proposed Tariff revisions are hereby accepted, effective December 17, 2024, as requested, as discussed in the body of this order.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.