

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southern California Edison Company) Docket No. ER26-518-000

**MOTION FOR LEAVE TO INTERVENE AND FILE ANSWER
AND ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (CAISO)¹ files this motion for leave to intervene out-of-time, motion for leave to answer, and answer to correct the record in the above-captioned proceeding. In its protest of Southern California Edison Company's (SCE) unexecuted letter agreement, Longroad Development Company, LLC (Longroad) incorrectly interprets the CAISO tariff. The Commission should disregard Longroad's protest, which contradicts the plain language and intent of the CAISO tariff. Longroad's protest merely seeks to create controversy so that Longroad may receive its deliverability allocation results before having to post financial security, giving it an unfair advantage over similarly situated customers that complied with the tariff provision Longroad disputes. This pursuit runs headfirst into the CAISO tariff requirement that, among other things, required Longroad's payment for its portion of shared network upgrades no later than November 2025, which it did not do.

¹ Capitalized terms not otherwise defined herein have the meanings set forth in appendix A to the CAISO tariff.

I. Answer

A. The Commission should not allow Longroad to delay first-ready projects in contravention of the CAISO tariff.

The bulk of Longroad's protest argues that its election to park its project to re-seek deliverability takes precedence over its obligation to finance its portion of shared network upgrades that "first-ready" interconnection customers need to remain on schedule. These arguments contradict the plain language and intent of the CAISO tariff. Section 11.3.2.6 of Appendix DD to the CAISO tariff requires all interconnection customers sharing an assigned network upgrade with other customers to submit three things simultaneously² to enable the transmission owner to begin construction of the shared network upgrade:

1. Their portion of the costs of the upgrade;
2. Their written authorization for the transmission owner to proceed with design and procurement; and
3. Their executed generator interconnection agreement (GIA), or, "if the Interconnection Customer is parked," an engineering and procurement agreement.

Critically, the deadline to submit these elements is "based on the construction timeline required to meet the *earliest* In-Service Date of the Interconnection Customers sharing the Assigned Network Upgrade."³ As the CAISO explained 14 months ago when it submitted these tariff revisions, interconnection customers frequently share network

² For example, if three interconnection customers share cost responsibility for an upgrade, all three interconnection customers must submit all three elements by the same shared deadline. This avoids delaying construction of the upgrade.

³ Section 11.3.2.6 of Appendix DD to the CAISO tariff (emphasis added).

upgrades to maximize economies of scale and save ratepayers costs. These interconnection customers' study results and GIAs set forth their cost responsibility for the shared network upgrades based on the applicable proportional impact method. This system works very well for producing studies and keeping everyone's costs as low as possible; however, it often presents a challenge for transmission owners to actually begin construction. Even if one interconnection customer is ready and eager for the transmission owner to begin construction, other interconnection customers sharing one upgrade among many others may have other timetables. The transmission owner often is stuck waiting for the last or least-ready interconnection customer (Longroad, in this case) because the transmission owner cannot commence construction without all the interconnection customers' funds for the shared network upgrade. This can be especially problematic when the interconnection customer with the largest share of the costs has the latest commercial operation date.⁴

In the interest of first-ready, first-served policies, the CAISO proposed to unify payment and authorization schedules among interconnection customers sharing network upgrades. This unification "require[s] interconnection customers sharing a network upgrade to provide the financing and authorization to construct the shared network upgrade simultaneously, and based on the construction timeline necessary to achieve the earliest interconnection customer's commercial operation date."⁵ All other network upgrades can have their own separate milestones based on their construction schedules. The Commission approved these tariff revisions, finding they will "ensure

⁴ *California Independent System Operator Corp.*, Transmittal Letter at 7, Docket No. ER25-131-000 (Oct. 17, 2024).

⁵ *Id.* at 8.

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,” and “help ensure that transmission owners efficiently construct transmission facilities for first-ready projects.”⁶

In its submission to the Commission, the CAISO noted that “these provisions will ensure that all interconnection customers sharing a network upgrade have sufficient time to negotiate their agreements and arrange financing, but without the risk that one interconnection customer can ‘drag its feet’ and delay the construction of the shared network upgrade to the other interconnection customers’ detriment.”⁷ The Commission should thus see Longroad’s request for SCE to file its agreement unexecuted and Longroad’s subsequent protest for what they are: Longroad is dragging its feet to delay the construction of the shared network upgrade to the other interconnection customers’ detriment. Unlike similarly situated interconnection customers, Longroad has refused to comply with the CAISO filed rate, and instead hopes that its litigation tactics will allow it to receive one more chance at a favorable deliverability allocation before deciding whether to proceed or withdraw. The Commission should not allow this unready project to delay other interconnection customers further.

B. Longroad mischaracterizes the relationship between its election to park and its obligation to finance shared network upgrades.

Longroad argues that it should not have to provide “the third financial security posting . . . before CAISO has completed Phase II and Longroad has completely Phase

⁶ *California Independent System Operator Corp.*, 189 FERC ¶ 61,195 at P 16 (2024).

⁷ *Id.* at 9.

II information.”⁸ This argument distorts the facts to misrepresent the competitive deliverability allocation process’s role in the CAISO’s interconnection process. On the same page of its protest, Longroad correctly notes that it received its Phase II study results in January 2024, almost two years ago.⁹ Longroad also correctly states that those Phase II study results “identifie[d] the network upgrades and interconnection facilities required for interconnecting.” As such, Longroad has its “complete Phase II information.”

What Longroad does not know is whether this year it will receive an allocation of transmission capacity to enable its deliverability, a finite set of transmission capacity based on local regulatory authority procurement directives in the CAISO transmission planning process. Each year, the CAISO allocates that deliverability to the many interconnection customers seeking it based on competitive commercial criteria.¹⁰ If an interconnection customer does not receive an allocation it may “park” until the next year for one to two more cycles.¹¹ Longroad’s first allocation cycle was in 2024. It did not receive an allocation, and thus elected to park.

⁸ Longroad Protest at 2.

⁹ *Id.*

¹⁰ See Section 8.9.2 of Appendix DD to the CAISO tariff. The CAISO allocates deliverability first to customers with power purchase agreements, second to customers on short lists to receive power purchase agreements, third to online generators, and fourth to remaining customers.

¹¹ Section 8.9.4 of Appendix DD to the CAISO tariff. Interconnection customers can park a second time (for a third allocation attempt) only where “(a) the most recent TP Deliverability allocation shows that TP Deliverability will still be available to the Generating Facility; and (b) the Generating Facility has not been assigned Network Upgrades identified as needed by other Interconnection Customers in the Generating Facility’s cluster study group or later cluster study groups. Criterion (b) will not apply where the Generating Facility has been assigned Network Upgrades identified as needed only by other Interconnection Customers in the Generating Facility’s own cluster study group and all of those active Interconnection Customers also elect to remain parked.” Section 8.9.4.1 of Appendix DD to the CAISO tariff.

As Longroad notes,¹² the CAISO tariff allows parked interconnection customers to delay their second interconnection financial security posting, which would require 30 percent of *all* of their assigned network upgrade and interconnection facility costs. This is not in dispute, and neither the CAISO nor SCE have requested Longroad's second posting. From this provision, however, Longroad incorrectly argues that no other tariff requirement may be placed upon it, including, the requirement to finance its share of any shared network upgrades to keep other interconnection customers on schedule. Longroad argues that because it is under an extension on the second posting, it must be under a similar extension for any element of the third posting. This is incorrect for several reasons.

First, Section 11.3.2.6 applies to "All Interconnection Customers sharing the Assigned Network Upgrade." "All Interconnection Customers sharing the Assigned Network Upgrade" includes parked projects. Not only does Section 11.3.2.6 fail to exempt parked projects from this plain class, it *expressly includes* parked projects within the provision.¹³ No reader could thus infer that parked projects are exempt from its requirements. Section 11.3.2.6 only exempts parked projects from the requirement that they must execute their GIA by the shared network upgrade deadline; rather, they execute an engineering and procurement agreement.¹⁴ From this exemption, the

¹² Longroad Protest at 9 *et seq.*

¹³ "Where any Interconnection Customer sharing the Assigned Network Upgrade has not executed either agreement, the Participating TO will tender (1) a draft engineering and procurement agreement *if the Interconnection Customer is parked*, or (2) a draft GIA or GIA amendment, to the Interconnection Customer no later than one-hundred twenty (120) days before the third posting deadline" (emphasis added).

¹⁴ An engineering and procurement agreement is designed specifically for this situation: it memorializes the terms for the transmission owner to begin construction of a subset of network upgrades needed before the GIA has been executed.

Commission can infer that the CAISO considered parked projects, and intentionally exempted them only from the GIA requirement; not the finance requirement.

Second, Longroad's interpretation of the CAISO tariff would not "harmonize" the various tariff provisions; it would render Section 11.3.2.6 meaningless. As the Commission has found, when interpreting tariff provisions, the tariff should be read to give meaning to every provision.¹⁵ Excluding parked projects from Section 11.3.2.6 would require the Commission to ignore the express reference to parked projects within it, and, more critically, it would completely undermine all of Section 11.3.2.6. As explained above, the purpose of this Section is to avoid this precise scenario: one interconnection customer would like more time to decide whether it is viable while all ready projects are delayed. Interconnection customers can park for up to three years, pushing back the construction schedule of much-needed upgrades significantly (under Longroad's misinterpretation).

Third, the CAISO and SCE's interpretation of the CAISO tariff would not render the second posting extension in Section 8.9.4 meaningless: Longroad has not been required to post additional financial security for any of its solely assigned network upgrades or any other shared network upgrades. It has only been required to post for the subset of assigned network upgrades contemplated in Section 11.3.2.6: shared network upgrades for which SCE must begin procurement to keep ready interconnection customers on schedule. The fact that Longroad's share of costs for a

¹⁵ See, e.g., *Evergy Kansas Central Inc.*, 183 FERC ¶ 61,094 at P 20 (citing *Mastrobuono v. Shearson Lehman Hutton, Inc.*, 514 U.S. 52, 63 (1995) (identifying, as a "cardinal principle of contract construction," that "a document should be read to give effect to all its provisions and to render them consistent with each other"); *LS Power Dev., LLC v. PJM Interconnection, L.L.C.*, 176 FERC ¶ 61,021, at P 37 (2021)).

shared network upgrade may be larger than its required second posting may be unexpected by Longroad, but that is not germane in correctly interpreting the CAISO tariff. The second posting and the posting required by Section 11.3.2.6 are distinct requirements for concentric but distinct sets of facilities. Longroad's assertion that the provisions in Section 11.3.2.6 "do not change the sequence of orderly financial security postings" is incorrect. That parked projects are expressly included in Section 11.3.2.6 demonstrates that this situation was both contemplated and intended. Otherwise parked projects could delay ready projects up to three years, completely negating the intent of the policy.

C. All other similarly situated interconnection customers have complied with Section 11.3.2.6.

Longroad is far from the only interconnection customer required to post its share of shared network upgrades. Because Section 11.3.2.6 pertains to shared network upgrades, nearly one hundred other interconnection customers from cluster 14 and the CAISO interconnection queue have faced the same scenario since the Commission approved this policy. From cluster 14, 64 interconnection customers completed all obligations, including financing, and 27 others withdrew. Dozens of interconnection customers that provided their financing or withdrew were parked, just like Longroad. As described above, the point of the policy was to allow the CAISO and transmission owners to create construction schedules based on the needs of the first-ready projects—64 of them so far—and no longer be beholden to unready and parked projects like Longroad. The Commission should not reward Longroad for using litigation to avoid the obligations so many other interconnection customers faced.

Doing so would be unduly preferential to Longroad, and unduly discriminatory to other interconnection customers, including those that withdrew.

Longroad accuses SCE of “weaponize[ing] premature postings,” arguing that requiring interconnection customers to pay for their assigned network upgrades is somehow a ploy to gain “tactical leverage over others.”¹⁶ The Commission should disregard these unfounded accusations. Longroad’s tactic is plain: create factual controversy to delay action against it. Longroad’s argument ignores that SCE is taking actions expressly described in and intended by the CAISO tariff. Requiring financing for upgrades when that financing is needed to begin procurement is among the most common, basic actions for a transmission owner. The CAISO also notes that there is no tactical leverage to gain. The CAISO, not SCE, performs deliverability studies and provides allocations. Those interconnection customers that were more competitive received deliverability in previous years, and are ready to proceed. As intended by the tariff, SCE is taking steps to secure financing for those interconnection customers ready to proceed to construction. Longroad seeks to delay this process until it *might* be ready. The Commission should not reward Longroad’s tactics with further delay of its posting obligations. Doing so will delay first-ready projects.

II. Motion for Leave to Intervene Out-of-Time

Pursuant to Rule 214(d), the CAISO respectfully moves to intervene out of time in this proceeding. The Commission grants petitions to intervene out of time for good cause shown when the parties’ interests are not adequately represented by others in

¹⁶ Longroad Protest at 18.

the proceeding, intervention will not prejudice any party and will not disrupt the proceeding.¹⁷ Longroad's protest makes several assertions regarding the interpretation and intent of the CAISO tariff. Because no other party can adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest and should be granted.

III. Motion for Leave to File Answer

Pursuant to Rules 212 and 213, the CAISO respectfully requests waiver of Rule 213(a)(2) to permit it to file this answer in response to Longroad's protest. Good cause for the waiver exists because this limited answer will aid the Commission in understanding the issues in the proceeding, inform the Commission in the decision-making process, and help to ensure a complete and accurate record in the case.¹⁸

IV. Conclusion

For the foregoing reasons, the Commission should accept SCE's unexecuted

¹⁷ See, e.g., *Valley Link Transmission Maryland, LLC, et al.*, 191 FERC ¶ 61,113 (2025) (finding that late intervention was not prejudicial in part because the Commission had not yet issued orders, and that any prejudice was outweighed by the strong interest movant had in the proceeding).

¹⁸ See, e.g., *PJM Interconnection, L.L.C.*, 187 FERC ¶ 61,173, at P 25 (2024); *Constellation Mystic Power, LLC*, 185 FERC ¶ 61,016, at P 15 (2023); *ISO New Eng. Inc.*, 175 FERC ¶ 61,172, at P 15 (2021).

letter agreement as filed.

Respectfully submitted,

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December 19, 2025

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 19th day of December, 2025.

/s/ Ariana Rebancos

Ariana Rebancos

An employee of the California ISO