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Contact: ISOMedia@caiso.com

Interconnection process enhancements approved by ISO Board of Governors

Changes will enable more rapid deployment of generation and transmission infrastructure

FOLSOM, Calif. – A comprehensive package of reforms to accelerate the efficient and cost-effective interconnection of new generating resources to the grid was approved Wednesday by the California Independent System Operator's (ISO) Board of Governors.

The interconnection process changes, which must also be approved by the Federal Energy Regulatory Commission (FERC) before taking effect, were crafted during more than a year of extensive engagement with stakeholders, who helped develop some of the initiative's key concepts. Designed to increase reliability and help keep down costs, the changes were needed because it had become impossible to process and analyze in a timely and meaningful manner the hundreds of interconnection applications that poured into the ISO each of the past several years.

"We've seen explosive growth in the number of applications for grid interconnection studies the past three years and we need a new and improved process to prioritize and determine which projects are the most viable and which will meet our resource adequacy and reliability needs in a timely manner over the next 20 years," Jan Schori, chair of the ISO Board of Governors, said after the unanimous vote.

"On behalf of the Board, I offer thanks to all stakeholders and our ISO staff who worked so diligently on a comprehensive solution to a complex set of challenges. System operators around the country are looking for ways to streamline interconnections and I believe we have struck the right balance with these changes. We will continue to stay engaged with our stakeholders and watch very closely to make sure we have a fair and successful process that will get us the results we need."

The Board approved the interconnection proposal at a special meeting scheduled to give stakeholders extra time to comment on a recent addendum by ISO staff. Before the vote, the Board heard from supporters and others who have concerns with some elements of the proposal. Board members expressed appreciation for the different perspectives and said the ISO is committed to continue working with stakeholders to monitor the reforms' impacts and explore additional refinements if necessary.

Under new protocols approved by the Board, ISO staff would evaluate interconnection applications with an emphasis on alignment with local and state resource and transmission planning and project readiness while continuing to maintain open access to the transmission grid.

Interconnection requests for projects coming into the ISO during an annual application window would be scored based on commercial interest, project viability, and system need. The projects would then be ranked for their ability to advance to the study process, where they would be more fully evaluated.

The ISO would study projects up to 150 percent of available transmission capacity, increasing the likelihood that the most viable and cost-effective projects can advance without being delayed by excessive volumes of less feasible projects. The reforms, which are also designed to keep down costs by making the entire process more efficient, include a path forward for projects if they aren't in a geographic area with existing or planned transmission.

“The ISO, participating transmission owners, load-serving entities, and industry need a reformed process to advance the most viable projects toward interconnection and commercial operation, and to prevent stagnant projects from hindering the progress of viable projects in the queue,” Neil Millar, vice president of Infrastructure and Operations Planning, wrote in a [June 6 memorandum to the Board](#).

Reforms approved by the Board build on requirements established last July by FERC Order No. 2023, which set new standards for interconnection processes around the country. The ISO submitted a compliance filing with FERC for that order in May and is layering additional reforms onto the federal requirements.

To address outstanding interconnection issues, another track of enhancements will begin this summer focused on deliverability allocations and more acute challenges created by recent “superclusters” which have seen unprecedented numbers of interconnection requests.

As Millar noted in his memo, the ISO understands the impact of these reforms and views reduced queue volumes as a necessary outcome of the process to enhance reliability throughout the region.

“Importantly,” Millar wrote, “the ISO believes that the final proposal will enable the most viable and needed projects to advance through the study process based on a series of meaningful indicators to ensure sufficient resource availability and diversity in the queue” for interconnection applications.

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The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (WEIM) is a real-time wholesale energy trading market that enables participants anywhere in the West to buy and sell energy when needed. The WEIM Governing Body is the governing authority designed by regional stakeholders and has shared authority with the ISO Board of Governors to resolve rules specific to participation in the WEIM.