191 FERC ¶ 61,218
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

June 24, 2025

In Reply Refer To:
California Independent System Operator Corporation
Docket No. ER25-2044-000

California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Attention: William H. Weaver
Assistant General Counsel

Dear Mr. Weaver:

1. On April 25, 2025, 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 and its Resource Interconnection Standards.[3] CAISO states that the proposed Tariff revisions will help serve first-ready projects, especially those projects from cluster 14 that recently received their final interconnection study results. In this order, we accept CAISO's proposed Tariff revisions, effective June 25, 2025, as requested.

2. CAISO proposes six independent, severable sets of Tariff revisions that are the result of its Interconnection Process Enhancements 2023 initiative, which was coordinated among the California Public Utilities Commission, the California Energy Commission, and CAISO to help meet California's energy policy objectives.[4]

---

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. pt. 35 (2024).

[3] *See* Appendix for eTariff records.

[4] Transmittal at 4.

3. First, CAISO proposes to extend the cluster 14 interconnection financial security posting deadline until 60 days after the next deliverability results will be available in 2026. CAISO states that after the first and second interconnection studies, interconnection customers are required to post 15% and 30% of their assigned interconnection costs respectively. Interconnection customers that receive an insufficient deliverability allocation are provided an extension on the second interconnection financial security posting if they "park" their interconnection request for one year, which allows them to re-seek deliverability in a potentially higher allocation group before deciding whether to proceed in the queue. However, due to the timeline changes to clusters 14 and 15 to comply with Order No. 2023, the one-year extension for parked cluster 14 projects was insufficient to allow those projects to receive new results. Extending the cluster 14 financial security deadline will allow "parked" interconnection customers from cluster 14 to receive deliverability allocation results.[5]

4. Second, CAISO proposes to clarify that when an Energy Only interconnection customer must provide a power purchase agreement (PPA), it must submit an Energy Only PPA (i.e., one that does not contemplate deliverability). CAISO explains that this clarification will avoid ambiguity over what PPAs comply with Tariff requirements.[6]

5. Third, CAISO proposes to reduce its $60,000 Energy Only deliverability study deposit to a $5,000 flat fee. CAISO provides that certain Energy Only interconnection customers – typically customers that are already online or recently repowered – can seek deliverability through CAISO's annual deliverability allocation process. CAISO explains that when it established this process, it did not know the precise costs of the study or the volume of interconnection customers that would participate and fund the study. Given that developers preferred refunds over invoices for additional funds, CAISO elected to require a $60,000 deposit for this study. CAISO explains that now that it has experience with these studies, it believes a $5,000 flat fee is sufficient to cover all costs and will reduce the administrative burden for CAISO and interconnection customers.[7]

6. Fourth, CAISO proposes to remove an intermediate step for queued interconnection customers that receive deliverability allocation and do not have PPAs or shortlisting. CAISO explains that "Group D" – queued interconnection customers that do not have PPAs and are not on a short list to receive a PPA – is the last group to receive deliverability allocations. If a Group D interconnection customer receives a deliverability allocation, it must satisfy two requirements to retain the allocation: (1) within one year of receiving its deliverability allocation, demonstrate it is actively negotiating or shortlisted

---

[5] *Id.* at 4-6.

[6] *Id.* at 6.

[7] *Id.* at 7.

for a PPA (first-year retention requirement); and (2) by the end of the second year, it must execute a PPA. CAISO proposes to remove the first-year retention requirement because: it is too weak of a market signal to use to demonstrate viability; it is difficult for CAISO to verify or refute; it is simply an administrative burden, as demonstrated by the fact that no Group D interconnection customers fail to meet the requirement or withdraw to avoid it; and CAISO plans to retire shortlisting completely from CAISO processes after the next deliverability allocation cycle.[8]

7. Fifth, CAISO proposes to create an intra-cluster prioritization process to address the need for reliability network upgrades with long lead-times by allowing certain interconnection customers to interconnect earlier under existing transmission headroom. CAISO explains that due to cluster 14's size, many interconnection customers share a host of reliability network upgrades with long lead-times which must be completed before all of them can synchronize to the grid. CAISO states that many of these customers could connect earlier under existing headroom and that some of the upgrades will only be necessary if all or most of the interconnection customers actually reach operation. For that reason, CAISO proposes to apply a variation of its existing deliverability allocation process to allocate existing headroom to interconnection customers and move up their in-service dates. CAISO states that to keep the study manageable, it will limit it to interconnection customers with assigned reliability network upgrades with construction schedules of at least four years that delay an interconnection customer's earliest available in-service date by at least two years and that the process will be voluntary. CAISO explains that, although cluster 14 precipitated this change, interconnection customers with eligible upgrades from prior clusters or future clusters also may participate in the study.[9]

8. CAISO states that interconnection customers with completed interconnection studies that wish to participate will submit a $50,000 study deposit and an affidavit very similar to the affidavit for deliverability scoring. CAISO proposes that projects will be scored according to its scoring process for deliverability allocation receiving points based on Permitting Status, Project Financing Status, GIA and Posting Status, and with the addition of a new Deliverability Upgrade Status scoring criterion to recognize that projects with deliverability and not needing further delivery network upgrades are more likely to reach commercial operation sooner.[10] CAISO proposes that transmission

---

[8] *Id.* at 7-8.

[9] *Id.* at 9-11.

[10] As with its existing Deliverability Allocation scoring process, CAISO proposes to determine scores under the proposed criteria according to a methodology specified in the Business Practice Manual. *Id.* at 11-12.

capacity will be allocated based on the highest numerical score with CAISO resolving any ties for capacity from short-circuit related general reliability network upgrades by short-circuit duty contribution, with the lowest contribution per megawatt prevailing; any ties for capacity from power-flow related general reliability network upgrades by flow contribution, with the lowest contribution prevailing; and any ties for capacity from interconnection reliability network upgrades by generating facility capacity, with the largest capacity prevailing. CAISO states that these tiebreakers will enable the most capacity to come online.[11]

9. Sixth, CAISO proposes to provide more transparency on the transmission planning and deliverability allocation processes for public policy upgrades. CAISO explains that recently, local regulatory authorities' procurement requirements have included new types of resources that are location-constrained and have very long lead-times. CAISO asserts that prematurely allocating the transmission capacity from the policy-driven transmission solutions to resources not contemplated by those public policies would undercut those policies, because other resources would use the capacity. To avoid confusion and promote transparency, CAISO proposes to require that the final transmission plan specify where CAISO will reserve transmission capacity created by a policy-driven transmission solution for long lead-time resources and the amount of reserved capacity, and also specify criteria for eligible resources. CAISO further provides that these provisions will require a transparent, public stakeholder process for such capacity commitments in the transmission planning process, along with specific figures and locations in the transmission plan so developers can easily understand where generic deliverability will materialize, and where deliverability has been reserved for specific public policies. CAISO also proposes to revise its Tariff provisions on deliverability allocations to specify capacity commitments more transparently. CAISO asserts that these revisions clarify existing processes, promote transparency within the transmission planning process, provide developers more granular information to understand where deliverability will and will not be available, and ensure that local regulatory authorities can achieve public policy requirements vetted through CAISO's transmission planning process without unnecessarily duplicating transmission solutions or increasing ratepayer costs.[12]

10. Notice of CAISO's filing was published in the *Federal Register*, 90 Fed. Reg. 18651 (May 1, 2025) with protests and interventions due on or before May 16, 2025. The following entities submitted timely motions to intervene: American Clean Power Association; California Department of Water Resources; Calpine Corporation; City of Santa Clara, California; EDF Renewables, Inc.; Golden State Clean Energy; Invenergy

---

[11] *Id.* at 9-13.

[12] *Id.* at 15-17.

Wind Development LLC; Six Cities CA (Six Cities);[13] and Southern California Edison Company. A timely motion to intervene and comments were filed by Northern California Power Agency (NCPA).

11. NCPA states that it supports CAISO's filing, particularly the provisions regarding coordination with local regulatory authorities as part of CAISO's proposal to provide more transparency on the transmission planning and deliverability allocation processes for public policy upgrades. NCPA requests that the Commission accept the proposed Tariff revisions regarding coordination with local regulatory authorities, which it states are critical to ensuring that LSEs can meet regulatory requirements while continuing to provide affordable, safe, and reliable service, and will better ensure that all local regulatory authorities' portfolios are considered and treated comparably for transmission planning and deliverability allocation purposes.[14]

12. 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.

13. We find that CAISO's proposed Tariff revisions 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. 2003[15] and Order No. 2023[16] by helping to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, as discussed herein. We therefore accept them, effective June 25, 2025 as requested. Specifically, we find that removing the first-year retention requirement for customers that received a Group D deliverability allocation in the 2025 allocation process, providing clarity regarding reserved transmission capacity created by a policy-driven transmission public policy upgrade, and clarifying that, in situations where an Energy Only customer would

---

[13] Six Cities consist of the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.

[14] NCPA Comments at 4-5.

[15] *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).

[16] *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, *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).

need to provide a PPA, CAISO will accept only an Energy Only PPA, will enhance transparency and provide clarity to CAISO's interconnection and transmission planning processes. Further, we find that extending the cluster 14 interconnection financial security posting deadline, reducing the $60,000 Energy Only deliverability study deposit to a $5,000 flat fee, and creating an intra-cluster prioritization scoring system, will reduce the administrative burden for CAISO and interconnection customers and allow for viable projects to advance more quickly to commercial operation.

14. Additionally, we find that specifying in the final transmission plan the criteria for eligible resources and where CAISO will reserve transmission capacity created by policy-driven transmission solutions for long lead-time resources will provide developers with more granular information to understand where deliverability will and will not be available for their projects. Therefore, the proposed revisions will serve to ensure that local regulatory authorities can achieve the public policy requirements vetted through CAISO's transmission planning process without unnecessarily duplicating transmission solutions or increasing ratepayer costs.

By direction of the Commission.

Carlos D. Clay,
Deputy Secretary.

Appendix – eTariff Records

California Independent System Operator Corporation

CAISO eTariff

- 24.3.2, Contents of the Unified Planning Assumptions and Study Plan (4.0.0)
- 24.4.6, Categories of Transmission Solutions (9.0.0)
- App DD, Section 8, Phase II Interconnect Study & TP Delivery Allocation Process (22.0.0)
- App DD, Section 16, Cluster 14 Unique Procedures (6.0.0)
- App KK, Section 8, Interconnection Facilities Study & TP Deliverability (2.0.0)
- App KK, Section 16, Reliability Network Upgrade Prioritization (0.0.0)