



March 21, 2025

Board of Governors
California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

Via Email

RE: 2023 Interconnection Process Enhancements Track 3 Proposal Concerns

Dear Board of Governors,

On behalf of the Large-scale Solar Association (LSA), I am writing you to express our concerns about two aspects of the 2023 Interconnection Process Enhancements (IPE) Track 3 proposal before you on March 26, 2025.

LSA members are responsible for a large proportion of the renewable-energy development in California. LSA has actively participated in all phases of the 2023 IPE process, offering comments at each opportunity. We appreciate the willingness of the Board Members to listen to and discuss our issues, and we plan to offer Public Comments at the upcoming meeting.

Our comments here focus specifically on one element of the Track 3 proposal: Transmission Plan Deliverability (TPD) reservations for “Long-Lead-Time” (LLT) resource types. Our concerns about this element are described below and further explained in the remainder of this letter.

Background

The CAISO’s (mostly) annual TPD Allocation process is unique among ISO/RTO jurisdictions. Projects go through the interconnection-study process to identify project-specific and local-area upgrades needed for their interconnection, and then participate in a second process – TPD Allocation – to receive the TPD awards that will allow them to provide Resource Adequacy (RA) to CAISO-area Load-Serving Entities (LSEs).

The interconnection studies assume that all projects earlier in the queue will be built and then estimates additional upgrades needed for the projects under study. However, the TPD Allocation process assumes only enough transmission (as approved in the Transmission Planning Process (TPP)) to accommodate the amount of generation needed for RA and renewable-energy requirements, which is much less than the generation in the queue. Thus, the TPD Allocation process is highly competitive, and TPD is a scarce and valuable attribute.

The CAISO has approved significant amounts of (mostly) policy-driven transmission upgrades in the TPP over the last few years, and the TPD enabled by that transmission has been allocated in subsequent TPD Allocation processes without reservations for specific fuel types. Any project that qualifies can request an allocation, with awards based on technology-neutral readiness criteria (e.g., executed Power-Purchase Agreements (PPAs)).

TPD acquisition/retention criteria are based on PPA acquisition. For example, the CAISO earlier approved transmission upgrades in the Tehachapi area largely expected to be used for thousands of MWs of wind

projects. That capacity did accommodate large amounts of wind, but as solar generation entered the market and became an important resource, TPD enabled by this new transmission also accommodated solar generation that acquired PPAs and was then developed.

This connection is logical. The CPUC and other regulatory authorities provide portfolios of expected resource types, amounts, and locations to the CAISO for use in the TPP, the TPP approves transmission to accommodate those expected resources, and LSEs under those regulatory jurisdictions execute PPAs that are used by those contracted resources to acquire and retain the TPD needed to satisfy their contractual obligations. The technology-neutral aspect of the TPD Allocation process has allowed the use of available TPD to evolve with the market resource mix.

Current issue

Starting with the last TPD Allocation process, the CAISO began holding back some TPD for specific resource types (off-shore wind (OSW) on the central coast, in that case), and recent CPUC rulings indicate a potential significant increase in the amounts and resource types that could be covered by these “reservations,” including on-shore wind, imported wind, geothermal, long-duration storage, and much more off-shore wind, at locations throughout the CAISO area.

The CAISO has maintained that it does not have jurisdiction over LSE procurement contracting, so these TPD reservations are the only way to ensure that transmission upgrades approved for these resources are available for them. However, it is not clear why:

- The CAISO should effectively be exerting discriminatory influence over LSE contracting in this very indirect way. TPD allocations effectively determine the resources available to LSEs for RA purposes, and it would make more sense for the regulatory authorities with LSE procurement jurisdiction to exert that control instead.
- LSEs would execute PPAs needed for TPD acquisition/retention in a manner inconsistent with guidance from their regulatory authorities (e.g., procurement mandates).
- The TPD reservation process is suddenly required to satisfy the state’s resource targets, when those targets have been achieved in the past without such discriminatory treatment.

LSA urges the CAISO to resist this unjustified rush to hold back TPD for many years in this discriminatory fashion without at least further reasoned consideration of the need for such drastic action, as well as consultation with the CPUC and other regulatory authorities about alternative means of achieving the desired targets without violating open-access principles.

Conclusion

LSA thanks the Board Members for considering our requests. We hope you will direct Management to refrain from the discriminatory TPD Allocation reservation process and explore further the need for this treatment and, if such a need exists, potential alternatives.

Sincerely,

/s/Shannon Eddy

Shannon Eddy
Executive Director
Large-scale Solar Association