

April 20, 2026

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

Via Email

RE: Interconnection Process Enhancements 5.0 Proposal Concerns

Dear Board of Governors,

On behalf of the Large-scale Solar Association (LSA), I am writing you to express our concerns about the Interconnection Process Enhancements (IPE) 5.0 decision scheduled for the April 30th meeting.

LSA members are responsible for a large proportion of the renewable energy development in California, as well as much of the associated energy storage capacity often combined in projects with renewable energy. LSA has actively participated in all phases of the IPE 5.0 process, posing questions and offering comments at each opportunity. We support or do not oppose most of the resulting proposals.

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 IPE 5.0 proposal – proposed conditions for Transmission Plan Deliverability (TPD or deliverability) transfers between projects. We ask the Board to direct Management to revise the IPE 5.0 proposal to:

- Avoid further impairment of Cluster 14 and earlier (C14/earlier) project Transmission Plan Deliverability (TPD or deliverability) acquisition opportunities by retaining the current TPD transfer rules; and
- Allow post-COD TPD transfers to Cluster 15 and later (C15+) projects to come from any projects in the queue.

Background

TPD/deliverability is required for projects to count toward meeting Resource Adequacy (RA) obligations for CAISO-area Load-Serving Entities. There are two ways projects can acquire TPD:

- **New TPD Allocations**, through the CAISO's (mostly) annual TPD Allocation process. This process considers deliverability that can be provided from existing and approved major transmission projects, subtracts deliverability already allocated to projects before, and then allocates the rest to project submitting requests on a competitive basis.
- **TPD transfers from other projects**. CAISO rules generally allow projects to transfer TPD Allocations to other projects, within these rules: (1) both projects must be located at the same Point of Interconnection (POI) and voltage level; and (2) the receiving project must comply with any TPD retention requirements assumed by the transferring project.

When the CAISO implemented the new interconnection framework for C15+ projects (based on FERC Order 2023 and the CAISO 2023 IPE initiative), it provided that C15+ projects entering the queue as Energy Only (EO – not seeking deliverability) could never acquire it, through either new allocations or transfers from other projects.

Part of that new framework also restricted new TPD Allocations to C14/earlier projects. Before, those projects could seek new TPD Allocations every year, before and after they reached their Commercial Operation Date (COD) and began operations. The new framework gave them one more chance to request a new TPD Allocation (the allocation cycle that just ended in March); in the future, they can only request new TPD Allocations after reaching COD.

Most notably, however, the new framework did not further restrict C14/earlier TPD transfers received from other projects, which could be received before or after COD of either project.

IPE 5.0 initiative

The CAISO began the IPE 5.0 initiative with several potential C15+ topics, one of which was a request to loosen the TPD rules to allow C15+ EO projects (like C14/earlier EO projects) to request new TPD Allocations after reaching COD. There was no mention of C15+ TPD transfers in any of the earlier proposal documents, and LSA asked early on, and repeatedly, for clarification. There was no mention of any rule changes applicable to C14/earlier projects.

It only became apparent extremely late in the process (Limited Revisions to the Final Proposal, after the Final Proposal and Revised Final Proposal) that the CAISO was proposing, for **both** C15+ and C14/earlier projects, to only allow TPD transfers if both the transferring and receiving projects had reached COD. (The terminology changed in the Final Proposal to “Operational Energy Only Projects,” but there was no indication that this “change” was intended to apply to C14/earlier projects, given that the entire initiative was focusing on C15+ projects.)

This change would cut off the last remaining opportunity for C14/earlier project opportunities to acquire TPD before COD.

Explanation of LSA objections

LSA strongly objects to this proposal, not only on the process grounds describe above, but also on substantive grounds.

First, the CAISO’s proposal to apply IPE 5.0 restrictions to C14/earlier projects is contrary to well-established CAISO practice. With few exceptions, the CAISO has tended to try to preserve tariff provisions applicable when projects entered the queue, even when the rules change later and at some disadvantage to other projects. The continued presence in the tariff of successive interconnection-related Appendices, each applicable to the clusters that applied under those frameworks, attests to this consistent and admirable approach.

It is always simpler for CAISO to subject all projects to the same rules going forward, but the desire for administrative simplicity has not been used to change rules retroactively in most past situations, and it should not be used to further impair C14/earlier TPD Allocation opportunities here.

In this case, it is the CAISO itself imposing complication on projects already in the queue by seeking to revise longstanding tariff rules. C14/earlier projects have been proceeding under the assumption that they could keep trying for TPD before COD through transfers. This would allow them to better secure contracts and financing and increasing their overall commercial viability.

Second, while CAISO has expressed concern about projects entering the queue as EO and then “gaming” the rules somehow to “change lanes” to acquire deliverability, that concern cannot apply to C14/earlier projects, which entered the queue before the new rules were even conceived.

Finally, the prohibition on pre-COD transfers is inefficient, for both C14/earlier and C15+ projects. TPD transfers incent less-viable projects to exit the queue promptly by transferring their TPD Allocations to more-viable projects. The receiving projects can then use the allocations to help contract and finance their projects before COD, significantly increasing their viability and probability of reaching commercial operation.

Conclusion

Though the CAISO does not publish statistics on TPD transfers between projects, LSA believes them to be relatively rare, due to the POI and voltage-level restrictions as well as additional rules imposed in recent reforms. However, where developers can realize a mutual benefit by trading a tradeable attribute between them, the CAISO need not interfere with that bilateral transaction – it should simply accommodate it and impose still more after-the-fact restrictions.

LSA thanks the Board members for considering our position, and we hope you will direct Management to make the changes to the IPE 5.0 proposal requested in this note.

Sincerely,

Shannon Eddy
Executive Director