



651 Commerce Drive
Roseville, CA 95678

(916) 781-3636

www.ncpa.com

May 25, 2024

CAISO Board of Governors
Chair Jan Schori
Vice Chair Severin Borenstein
Joe Eto
Angelina Galiteva
Mary Leslie

Re: Interconnection Process Enhancements 2023
NCPA Comments to the Board of Governors

Dear CAISO Board of Governors:

Thank you for your consideration of the following comments. The Northern California Power Agency (NCPA) has already conveyed its support of CAISO's Interconnection Process Enhancements proposal in its May 16, 2024 letter and will not repeat those comments here. NCPA's brief comments here respond to certain incorrect arguments made by generation development focused stakeholders at the May 23, 2024 Board of Governors meeting—namely, that the proposed interconnection reforms will lead to LSEs relying on illogical or discriminatory criteria when allocating LSE interest points because they will not have access to price and COD terms that will only be available after the interconnection study.

These contentions are incorrect. NCPA can only speak for itself, but it has been buying and selling power in California on behalf of its member-customers for over fifty years, while some of the members themselves have been serving their electric customer for over one hundred years. NCPA has accumulated substantial experience evaluating power supply options in the CAISO market for the benefit of its customers.

NCPA's project evaluations and procurement decisions are made (and are required to be made) in terms of what projects best meet the needs of NCPA's member-customers. NCPA will always consider price and COD before making a final procurement decision, but there are many other legitimate and important factors for it to consider as well, which can be known at the time of the interconnection request.

For example, NCPA is aware of what types of projects it needs to meet its reliability obligations, and what types of projects it must acquire to meet environmental mandates. It knows how much capacity and energy are needed in the relevant time frames, and what type of operating characteristics are needed (e.g., baseload or peaking power, and preferred operating

CAISO Board of Governors

May 25, 2024

Page 2

characteristics and technologies), and can assess how a new project will fit with and complement its existing portfolio at the time of the interconnection request. NCPA's experience purchasing power for its members delivered from many CAISO locations gives it a good sense of the congestion costs it might incur for delivery, making the location of the project and deliverability to NCPA load critical information. The Request for Information process that CAISO recommends for LSEs will also help NCPA gather information to identify promising projects, such as permitting status, site control, developer experience and other environmental considerations.

While final price and COD are undoubtedly important and necessary terms for entering into a PPA, the LSE interest points allocation process does not ask LSEs to sign a PPA when they allocate points. At the project scoring stage, CAISO is simply looking for a "read" on project viability and is using LSE interest in future procurement as one measure, along with the other scoring criteria.

In short, NCPA, acting on behalf of many LSEs, is well-positioned to evaluate how well a given project can fit NCPA's needs at the time it will assign its LSE interest points, while recognizing that more information will inform final procurement. NCPA remains confident in its ability to handle LSE interest points allocation in a fair and equitable manner, consistent with applicable law and regulations and its contractual obligations to its members.

Thank you for considering these comments and please approve the CAISO's proposal.

Sincerely,



Tony Zimmer
Assistant General Manager, PM
Phone: (916) 781-4229
Email: tony.zimmer@ncpa.com