California Independent System Operator Corporation

November 23, 2026

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ER27-____-000

Interconnection Process Enhancements 5.0 and Interconnection Service Capacity and Deliverability Retention for Non-Operating Generating Facilities Tariff Amendment

Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO) submits this set of four tariff amendments to enhance its generator interconnection and generator retirement procedures.[1] The CAISO requests that the Commission accept these tariff revisions effective February 12, 2027.

The CAISO convenes stakeholder initiatives to improve the interconnection process for new generators, and to address issues the CAISO has identified pertaining to online generators and their operational status. The four severable topics included in this filing arise from initiatives in which the CAISO worked with stakeholders to identify best practices and enhancements for additional certainty in planning. The four topics included in this filing are:

[1] The CAISO submits this filing pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d, and Part 35 of the Commission's Regulations, 18 C.F.R. Part 35. Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff, and references herein to specific tariff sections are references to sections of the CAISO tariff unless otherwise specified.

- **Transmission plan deliverability (deliverability) allocation changes:** The CAISO proposes streamlining the transmission plan deliverability allocation process by reducing the prioritization process from four deliverability allocation groups down to two: interconnection customers with a power purchase agreement (PPA) and interconnection customers without a PPA. The CAISO also proposes an opportunity for Energy Only projects to seek deliverability once operational. The CAISO additionally proposes to discontinue the option to "park" a project that does not receive an allocation of transmission plan deliverability at its first request and replace the option with additional opportunities to receive an allocation. Finally, the CAISO proposes rules to limit the transfer of transmission plan deliverability.
- **CAISO as an affected system:** The CAISO proposes minor clarifications to add greater certainty to the process for determining if the CAISO is an affected system, and for studying an affected system interconnection customer.
- **Interconnection service retention for resources on outage:** The CAISO proposes to identify timelines for notification of extended outage status and submission requirements for various repower or retirement scenarios for these resources to retain their deliverability and interconnection service.
- **Downsizing timing:** The CAISO proposes to clarify timelines for interconnection customer downsizing requests in relation to the CAISO's restudy process.

Each set of revisions is separate and not dependent on any others, from both a substantive and an implementation perspective. The CAISO has filed them together because they represent enhancements to the generator interconnection process and a single filing promotes administrative efficiency. The CAISO discusses each enhancement below.

I. Proposed Changes

A. Transmission Plan Deliverability Allocation

a. Background

Transmission plan deliverability reflects a resource's ability to deliver energy during periods of peak demand. It is important to developers because it allows projects to qualify to meet resource adequacy obligations in California. Interconnection customers may seek Full Capacity Deliverability Status, in which their project's entire capacity is deliverable, or Partial Capacity Deliverability Status, where only a portion of the project's output is deliverable.

Deliverability is the capability, measured in megawatts (MWs), of the California ISO Controlled Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection of additional generating facilities in a specified geographic or electrical area of the ISO Controlled Grid. The CAISO's Resource Interconnection Standards (RIS)[2] require projects seeking to become deliverable to interconnect where existing or planned transmission capacity exists based on the CAISO's Transmission Planning Process.[3] Projects seeking to interconnect first compete for the available capacity based on project viability scoring, ensuring that real, viable projects proceed into the study process. Following the cluster studies, projects compete for available transmission plan deliverability based on viability criteria appropriate for that stage of the process, most notably, an executed PPA. This process ensures that the most ready projects utilize the capacity approved and ultimately developed through the Transmission Planning Process. This process is further coordinated with the resource adequacy program where off-takers seek to execute power purchase agreements (PPAs) with projects with a demonstrated ability to be deliverable to be used towards their resource adequacy obligations. The proposed tariff changes presented here are the CAISO's and stakeholder's latest refinements to the CAISO's RIS that improve the effectiveness of these coordinated processes, while simplifying the RIS and ensuring that the available transmission capacity is utilized appropriately.

2 Appendix KK to the CAISO Tariff.

3 Section 4.1 of Appendix KK of the CAISO Tariff.

Currently, interconnection customers become eligible to seek an allocation of deliverability after cluster studies are complete. They have limited opportunities to seek deliverability before the CAISO converts them to "Energy Only" status. Energy Only status allows a facility to interconnect to the grid reliably, but the facility will not qualify for resource adequacy because it will not have deliverability. The transmission plan deliverability allocation process gives highest priority to projects that have executed a PPA or are shortlisted for procurement. The CAISO currently allocates transmission plan deliverability to the following four groups, A – D, with projects in group A receiving the highest priority:

(A) To interconnection customers that have executed PPAs, and to interconnection customers in the current queue cluster that are load serving entities serving their own load.

(B) To interconnection customers that are actively negotiating a PPA or on an active short list to receive a PPA.

(C) To interconnection customers that have achieved commercial operation.

(D) To interconnection customers electing to be subject to generator interconnection precures that include various restrictions, including inability to delay or suspend certain milestones.[4]

To determine prioritization for interconnection customers within these groups, the CAISO currently uses the scoring criteria of permitting milestones and, project financing status, and land acquisition status.

Currently, the CAISO only allows Energy Only projects that entered the queue prior to Cluster 15 an opportunity to seek deliverability in "Group C", or as the third-priority group. In addition, the CAISO currently provides an opportunity for an interconnection customer to "park" its project for a year if the interconnection customer does not receive the amount of deliverability it was seeking. This option allows additional time for interconnection customers to seek a PPA and attempt to receive an allocation in the next cycle.

[4] Appendix DD of the CAISO tariff, Generator Interconnection and Deliverability Allocation Procedures, Section 8.9.2.3.

b. Proposed Tariff Amendment

1. Allocation Groups

The CAISO proposes to simplify the allocation groups for transmission plan deliverability from four groups to two. These two proposed groups are (1) interconnection customers with a PPA (PPA Group) and (2) interconnection customers that do not yet have a PPA (Conditional Group).[5] This change enhances the efficiency and certainty of deliverability allocations because the groups are clearer with fewer eligibility criteria. This change closely aligns with the CAISO's overarching objective of studying and advancing the most viable projects in the queue because it is more straightforwardly based on PPA status. Figure 1 shows the current allocation groups in the CAISO tariff and the proposed simplified allocation groups.

[5] Proposed Section 8.9.2 of Appendix KK of the CAISO Tariff. The CAISO also proposes changes to Section 8.9 of Appendix DD of the CAISO Tariff to clarify that deliverability allocation cycles that occur in 2027 and beyond will be subject to Appendix KK. This is because interconnection customers that interconnected under Appendix DD may still be eligible to seek deliverability based on their time in queue, and the CAISO confirms that all deliverability allocations will be processed using the newly proposed allocation groups and process. Additionally, the CAISO proposes minor revisions throughout the tariff to remove any references to shortlisting or the other discontinued group eligibility requirements, including the full removal of Section 8.9.2.3 of Appendix KK of the CAISO Tariff, which describes existing deliverability Group D and revisions to Section 8.9.3.2 of Appendix KK of the CAISO Tariff, which describes shortlisting and parking.

Figure 1. Changes to Transmission Plan Deliverability Allocation Groups

Prior Allocation Groups	Proposed Allocation Groups
Group A – required executed PPA	**PPA Group** Includes Energy Only generators in commercial operation from any queue cluster.
Group B – Shortlist for PPA; PPA required PPA next cycle to retain	Discontinued
Group C – Energy Only in commercial operation *Note: Only available in Appendix DD (pre-Cluster 15 Energy Only generators)*	Discontinued
Group D – Conditional allocation, restricted commercial operation date changes; requires PPA or shortlist next cycle to retain	**Conditional Group** Includes Energy Only generators in operation from any queue cluster; requires PPA in the next interconnection deliverability allocation cycle to retain any transmission plan deliverability allocated as conditional

The CAISO proposes that Energy Only projects can seek transmission plan deliverability in either of the newly proposed allocation groups once they are commercially operating.[6] With this change, all operational Energy Only projects may seek transmission plan deliverability in the same transmission plan deliverability allocation process as queued customers. This tariff amendment provides an equitable opportunity for Energy Only projects to receive an allocation of transmission plan deliverability if already online. The value of transmission plan deliverability to the reliability of the grid necessitates the

[6] Proposed Section 8.9.2 of the Appendix KK of the CAISO Tariff. The CAISO also proposes minor edits to Section 8.9.2 of Appendix DD of the CAISO Tariff to confirm that the same eligibility rules for Energy-Only projects that interconnected originally under the Appendix DD rules. The CAISO notes that governing language related to deliverability allocation and retention is contained in both Appendix DD for clusters 14 and earlier, and Appendix KK for clusters 15 and forward. Therefore, the CAISO includes proposed revisions to both for several of these proposals as relevant.

CAISO allocate it to interconnection customers providing (or under contract to provide in the future) resource adequacy capacity. Accordingly, Energy Only interconnection customers in the queue and not yet operational may not receive an allocation of transmission plan deliverability. Instead, interconnection customers entering the queue seeking to become deliverable must compete with other deliverable projects in the cluster intake scoring process and seek transmission plan deliverability when they become eligible to seek an allocation. Allowing Energy Only interconnection customers in queue to bypass that screening and seek an allocation prior to commercial operations would undermine the recently reformed intake scoring process, which requires interconnection customers to determine whether they intend to seek deliverability or interconnect as energy only when they submit their interconnection request. This early selection ensures that generators seeking deliverability will be scored against other projects seeking deliverability and Energy Only projects will compete to be studied with other Energy Only projects. Under this proposal, operational Energy Only interconnection customers, however, as described further below, may receive transmission plan deliverability, which would allow them to immediately utilize existing transmission capacity on the system and benefit ratepayers through their immediate eligibility to provide resource adequacy.[7] Operational Energy Only projects have proven their viability by achieving commercial operations. The requirement for a PPA, as now required for all interconnection customers, further confirms that an Energy Only interconnection customer reflects supply value to an off-taker seeking to fulfill its resource adequacy obligations. Relatedly, the CAISO also proposes a clarification regarding technology additions and an interconnection customer's ability to receive deliverability for any such addition. For the same reason that Energy Only projects should not be allowed to bypass the initial intake scoring process, the CAISO proposes to disallow any later technology addition portion of an interconnection request from being eligible for deliverability until it is in commercial operation.[8]

The CAISO will continue to give priority to projects with PPAs by allocating deliverability to the PPA Group first. Within both groups, priority will be given to the interconnection customers in the queue seeking Full Capacity Deliverability or Partial Capacity Deliverability over operational Energy Only generators

[7] For this reason the CAISO also proposes tariff language in Section 8.9.2 of Appendix KK that Energy Only generators are not eligible to receive an allocation if the project is behind a deliverability constraint, which would then necessitate the building of a deliverability network upgrade.

[8] Proposed Section 8.9.2 of Appendix KK of the CAISO Tariff.

because these interconnection customers are developing projects with the expectation of providing resource adequacy capacity, whereas Energy Only generators have reached operational status. For these Energy Only generators, deliverability reflects an additional but not a necessary value. Energy Only generators should not be allowed to bypass the intake scoring process and utilize the transmission plan deliverability that interconnection customers seeking a deliverability capacity status may need to rely for their viability.

If transmission plan deliverability remains after allocation to all in the PPA Group, the CAISO will allocate remaining available transmission plan deliverability to the Conditional Group.

Under the CAISO's proposed tariff amendments, interconnection customers can only retain their conditional allocations in the following deliverability allocation cycle by demonstrating they have executed PPAs in that subsequent cycle.[9] Conditional allocations allow an interconnection customer to market its project, providing the off-taker a guarantee that the interconnection customer will keep its deliverability allocation if it executes a PPA prior to the beginning of the next allocation and retention cycle. As with the prior Group D (conditional) allocation group, the CAISO proposes this retention requirement to ensure the projects demonstrate their commercial viability by obtaining a PPA from an eligible off-taker.

Interconnection customers can seek an allocation from the Conditional group in each allocation cycle that their cluster is eligible to participate in, even if the project obtained an allocation in a prior cycle but was unable to retain it. As described below, projects in the queue will have up to four allocation cycles to seek an allocation before being withdrawn. Further, if an interconnection customer seeks to retain an allocation received from the Conditional Group with a PPA for a portion of the allocated deliverability, the interconnection customer may retain the amount of capacity required by the PPA, become Partial Capacity Deliverability Status, and will be eligible to continue to seek to increase its allocation until its cluster is no longer eligible to seek an allocation. Once the cluster is no longer eligible to seek an allocation, any portion which did not receive a TP Deliverability allocation will be required to downsize.[10] No limitation

[9] Proposed Section 8.9.3 of Appendix KK of the CAISO Tariff. Unretained deliverability will go back into the pool for re-allocation.

[10] Proposed Section 8.9.3 of Appendix KK of the CAISO Tariff.

will be placed on the number of times an operational Energy Only generator can seek an allocation.

Consistent with its existing tariff, the CAISO will continue to utilize an intake scoring process to determine the order interconnection customers and generators are considered to receive available deliverability within each allocation group. Two of the three scoring components, the permitting status and project financing status, will remain unchanged. The CAISO proposes, however, that the current criterion of land acquisition status, be replaced with an interconnection agreement status component.[11] The CAISO tariff, following Order No. 2023 compliance, now requires 90% site control to submit an interconnection request, rendering the third criterion of land acquisition less meaningful.[12] The newly proposed interconnection agreement criterion will better distinguish ready projects because it evaluates payment and security status and whether the PTO has provided a notice to proceed. As is currently the case, interconnection customers are rescored each cycle, allowing them to make advancements in their readiness and improve their scores over time, possibly becoming more competitive in the scoring process over time.

Because an Energy Only generator in commercial operation already fully meets the permitting and interconnection agreement requirements, and either has or is seeking a PPA, the CAISO will use project Distribution Factors (DFAX)[13] as the sole determinant for ranking operational Energy Only projects; the project with the lowest DFAX will be given higher priority.

[11] Proposed Section 8.9.2.1 of Appendix KK of the CAISO Tariff.

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

[13] DFAX is a measure of the impact of injections of energy from a generator at a particular location, which could result in required network changes on the grid.

Figure 2: Allocation Order: deliverability will be allocated as available to the following groups in the following order.

Allocation order	Group	Sub-group	Ranking within each subgroup
1	PPA Group		
1(a)		FCDS/PCDS	Determined by intake scoring: permitting, project financing, interconnection agreement
1(b)		Operational Energy Only Projects	Determined by DFAX
2	Conditional Group		
2(a)		FCDS/PCDS	Determined by intake scoring: permitting, project financing, interconnection agreement
2(b)		Online Energy Only Projects	Determined by DFAX

Finally, the CAISO proposes to modify the existing power purchase agreement requirements as they pertain to projects seeking an allocation of transmission plan deliverability. These requirements apply both to the PPAs used to qualify for the PPA Group and to any power purchase agreement used to retain deliverability allocated to a project in the Conditional Group.

First, the CAISO proposes that PPAs associated with Energy Only generator capacity in commercial operation must be with a load-serving entity having a resource adequacy obligation, or the generator itself is a load-serving entity and is seeking the deliverable capacity to meet its own resource adequacy obligation. Non-load serving entity PPAs are ineligible to qualify operational Energy Only generators to receive deliverability. The CAISO is proposing an opportunity for operational Energy Only generators to seek transmission plan deliverability based on feedback from load-serving entities who saw value in certain Energy Only projects filling specific areas of their resource adequacy

obligation in a least cost manner. The requirement that the PPA counter-party is a load-serving entity procuring the resource adequacy to meet its own resource adequacy obligation ensures ratepayers receive the benefits. Delivery network upgrades are public policy upgrades approved under the CAISO's compressive transmission planning process, and financed by ratepayers, to provide resource adequacy capacity. Because an allocation of transmission plan deliverability can be instantly utilized by an Energy Only generator in operation, a PPA with a load serving entity to meet its resource adequacy obligation will allow for the use of deliverability to benefit ratepayers immediately.

Additionally, for non-Energy Only queued interconnection customers seeking an allocation or to retain an allocation of transmission plan deliverability with a PPA, the CAISO proposes to require that the off-taker – whether a load-serving entity or not – verify that the PPA provided by the interconnection customer is active in each transmission plan deliverability allocation cycle until the project reaches commercial operation to verify that the PPA meets the existing tariff requirements for a qualifying PPA.[14] If the PPA with an interconnection customer in the queue is no longer active or does not meet the tariff requirements, the interconnection customer will lose its allocation and will be able to re-seek an allocation only if its cluster is still eligible to do so, as described below. Otherwise, the interconnection customer must withdraw.

The Commission should approve these tariff amendments as just and reasonable because they increase efficiency and add certainty to the deliverability allocation process. Currently, all four allocation groups are tied to PPA requirements, but with differing timelines and eligibility requirements. The proposed groups maintain the same PPA dependency, but allow for objective selection – the interconnection customer or generator either has a PPA or can conditionally be allocated deliverability and retain it with a PPA in the subsequent cycle. The proposed two groups simplify the process and provide a clear demarcation between those with a PPA and those working to obtain a PPA by eliminating the shortlist category that was difficult to validate. It therefore puts all

[14] Proposed Section 8.9.3 of Appendix KK of the CAISO Tariff. Requirements for PPAs are already in the tariff under Section 8.9.2 of Appendix KK. The CAISO does not propose changes to these, which include a term of at least five (5) years and has a counterparty with a resource adequacy obligation. For those PPAs that do not meet the counterparty requirement, the CAISO will require a further deposit. The CAISO does, however, propose an additional provision to clarify these tariff requirements, that projects consisting of more than one resource technology that seek an allocation or to retain an allocation with a power purchase agreement, the amounts of deliverability requested or retained must align with the requirements of the PPA. This is consistent with general requirements that the PPA provisions must support the deliverability sought. Proposed Section 8.9.3 of Appendix KK of the CAISO Tariff.

who have yet to obtain a PPA on the same playing field (Conditional Group), providing greater transparency for interconnection customers about where their project likely falls in the allocation priority as they compete for finite transmission plan deliverability. Further, by allowing operational Energy Only generators to seek deliverability, the CAISO's proposal provides immediate benefit to ratepayers by allowing these projects to seek deliverability and immediately provide resource adequacy.

2. Opportunities to Seek Transmission Plan Deliverability and Parking

The CAISO allocates deliverability once a year, allowing interconnection customers to seek deliverability once each cycle. The CAISO tariff currently allows interconnection customers to "park" their projects, *i.e.,* put a project on hold if the interconnection customer does not receive an allocation of transmission plan deliverability (or receives a smaller allocation than requested) in its first opportunity. This process gives the interconnection customer a second opportunity to seek an allocation in the next annual cycle. All interconnection customers have the option to park a project once. Only interconnection customers that meet certain criteria are eligible to park a second time. Currently, projects that exhaust their opportunities to seek an allocation of transmission plan deliverability are automatically converted to Energy Only.

The CAISO proposes to discontinue the parking process[15] and provide interconnection customers in queue with four consecutive opportunities to seek an allocation of deliverability through four annual cycles.[16] Cluster 14[17] projects were the last queue cluster eligible for parking, in accordance with the current deliverability allocation procedures for parking. Under the CAISO's proposal, interconnection customers will no longer need to qualify for parking to seek an allocation in additional (up to four) cycles, promoting efficiency and transparency in the process.

The CAISO proposes that the first opportunity to seek deliverability is prior to the issuance of the draft interconnection facilities study report. This opportunity is only open to those interconnection customers with a PPA applying to the PPA Group. All projects in the queue seeking deliverability may otherwise

[15] The CAISO proposes to remove Section 8.9.4 and Section 8.9.6 of Appendix KK of the CAISO Tariff, both of which provide information about the parking option.

[16] Proposed Section 8.9.2 of Appendix KK of the CAISO Tariff.

[17] Cluster 14's application window occurred April 1–15, 2021.

seek deliverability in either the PPA Group or the Conditional Group in the three subsequent and consecutive allocation groups. The CAISO proposes to allow an allocation prior to the draft interconnection facility report because projects that completed the restudy process and have minor or no upgrade requirements and are able to obtain a PPA based on the results of their restudy are able to move forward as quickly as possible. The majority of projects need to receive their facilities study to have the full picture of their cost responsibility to effectively market their project for a PPA. However, if a project has little or no costs for network upgrades and may be utilizing the interconnection facilities of an existing resource, there is limited additional benefit to the project receiving a facilities study report. If the project is able to obtain a PPA based on the information provided in the restudy, there is no reason that they should not be able to seek an allocation of transmission plan deliverability during the allocation cycle that occurs during their cluster's facilities study. However, it is only reasonable to offer this to the PPA Group and not the Conditional Group because they have more cost certainty.

Figure 3. Opportunities to seek an allocation[18]: Each interconnection customer in queue may seek an allocation along with its queue cluster at the following opportunities.

Opportunity	Timing	Eligibility	Conditional group retention requirements
1	Before draft interconnection facilities report	PPA Group only	N/A
2	First annual cycle after interconnection facilities report	PPA Group and Conditional Group	N/A
3	Second annual cycle after interconnection facilities report	PPA Group and Conditional Group	If awarded deliverability in opportunity 2, must show PPA to retain deliverability
4	Third annual cycle after interconnection facilities report	PPA Group and Conditional Group	If awarded deliverability in opportunity 3, must show PPA to retain deliverability
N/A	Fourth annual cycle after interconnection facilities report	None – only used to retain deliverability for Conditional Group	If awarded deliverability in opportunity 4, must show PPA to retain deliverability

Projects that have exhausted these opportunities to receive deliverability will be withdrawn from the interconnection queue. This approach recognizes interconnection customers may need additional time for projects to execute a PPA. Providing multiple opportunities to receive transmission plan deliverability is more generous than the current tariff, and still provides an end date for

[18] The CAISO also proposes a clarification tariff amendment to Section 8.9.1 of Appendix KK of the CAISO tariff, where it describes allocation "to the current queue cluster." The CAISO proposes removing this language because this is inaccurate. The CAISO allocates deliverability to any cluster eligible, which is more than the current cluster.

eligibility that will remove non-viable projects from the interconnection queue, rather than allowing them to linger in the queue as Energy Only.[19]

3. Transferring deliverability[20]

Once an interconnection customer receives an allocation of transmission plan deliverability, it may retain that deliverability status throughout the interconnection process and through commercial operation if it meets the requirements to do so. However, in some cases, the CAISO tariff currently allows an interconnection customer to request to transfer that deliverability allocation to another interconnection request or generating facility. The CAISO tariff currently limits transfers of deliverability by only allowing transfers to projects at the same point of interconnection and voltage level and only within the same cluster or to later queued projects.[21] The CAISO is maintaining these limitations. However, to avoid projects transferring deliverability and later reseeking deliverability or stagnating in the queue after the transfer, the CAISO proposes an additional requirement that if an interconnection customer transfers its deliverability, it must either provide an Energy Only PPA to remain in the queue as an Energy Only interconnection customer or be removed from the queue.[22]

The CAISO proposes two additional restrictions on the transfer of deliverability related to Energy Only generators.[23] First, any deliverability allocated to an operational Energy Only project (as proposed above) cannot be transferred to a project in the interconnection queue. Deliverability allocated to an operational Energy Only generator can, however, be transferred to another generator in commercial operation. Second, Energy Only capacity within an operational generator cannot receive deliverability via a transfer from a queued (non-operational) project. These limitations will ensure projects do not acquire deliverability for the purpose of transferring it to projects that otherwise would not

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19 Proposed Section 6.7.2.6 of Appendix KK of the CAISO Tariff.

20 Proposed Section 8.9.9 of Appendix KK of the CAISO Tariff covers transferability restrictions for transmission plan deliverability.

21 The CAISO proposes additional language to confirm that Cluster 14, which is governed by the previous interconnection rules under Appendix DD of the CAISO Tariff, may transfer deliverability to later queued projects but that the receiving project must maintain obligations of the transferring project.

22 If the project only transfers a portion of its deliverability, it may downsize to the size of the capacity that retains deliverability, or provide an Energy Only power purchase agreement only for the amount of capacity transferred.

23 Proposed Section 8.9.9 of Appendix DD and Appendix KK of the CAISO Tariff.

have received an allocation. They also ensure that transfers cannot be used to prolong a deliverability reservation of an interconnection customer that is no longer viable, depriving ratepayers of the benefit of the transmission capacity. The expectation is that the transmission plan deliverability made available to Energy Only projects will immediately be utilized for the benefit of ratepayers because the project is operational.

Additionally, to prevent interconnection customers from lingering in the interconnection queue, the CAISO proposes to only allow transfers between interconnection customers in different queue clusters from Cluster 14 and earlier to Cluster 15 and later. Otherwise, the CAISO will permit intra-cluster transfers for projects in the same cluster study group.[24] The CAISO proposes to prohibit transfers to non-operational earlier queued interconnection customers.[25] These restrictions will help promote the efficient use of deliverability. The CAISO seeks with these tariff amendments to ensure that only viable projects moving towards milestones are able to receive deliverability.

Lastly, the CAISO proposes that any allocation of transmission plan deliverability obtained through the Conditional allocation group remain solely for the purpose of providing an interconnection customer receiving such an allocation with the opportunity to demonstrate that its project will be deliverable when marketing its project prior to the next allocation cycle.[26] These conditional deliverability allocations are not transferable. The Commission should accept these proposed changes because they maintain the allocation order described above to ensure that ratepayers are financing transmission plan deliverability to support the most viable interconnection customers and not support interconnection customers lingering in the queue.

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24 *Id.*

25 *Id.*

26 *Id.*

Figure 4: Transferability: this chart shows transferability

Group allocated under	Type of interconnection request or operational generator	Restrictions on transferee. Must be:	Consequence of transferring deliverability
Existing Groups	Cluster 14 and earlier in queue	Same POI Same voltage level ICs in queue Within the same cluster or to Cluster 15 or later queued projects	Must provide EO PPA or withdraw
Proposed PPA Group	Energy Only in commercial operation	Energy Only in operation Same POI Same voltage level	No consequence
	Cluster 15 and later in queue	Same POI Same voltage level Same queue cluster ICs in queue	Must provide EO PPA or withdraw
Proposed Conditional Group	Not eligible to transfer allocated deliverability		

B. CAISO as an Affected System

a. Background

Infrequently, the CAISO receives notification that a generator seeking to interconnect to a Balancing Authority Area (BAA) other than the CAISO has identified the CAISO as a potentially affected system. In such cases, the potentially affected participating transmission owner in the CAISO studies the project for reliability impacts on the CAISO system and may require network upgrades as necessary. Recently, the CAISO implemented the Commission's Order No. 2023 changes to the CAISO affected system process, which established a more uniform study process across all systems. In short, the process requires notification by an affected system interconnection customer to the CAISO, affirmation by the CAISO of its intent to conduct an affected system

study, agreement on that study, procedures for that study, and results. Each of these elements includes specific requirements and timelines.

b. Proposed Tariff Amendment

Based on the experience gained in implementing the new processes under Order No. 2023, the CAISO and participating transmission owners observed the opportunity for minor procedural enhancements to better streamline and clarify the procedures without changing the overall process.

The proposed amendments include several clarifications, the first of which is clarifying that the deficiency cure process will repeat until all deficiencies are cured.[27] This will allow the CAISO to start additional cure periods if additional deficiencies are identified, rather than the tariff implying only one opportunity to identify and cure all deficiencies. Second, the CAISO seeks to clarify that the affected system study will consist of a power flow, stability, and short circuit analysis to the extent that the CAISO and participating transmission owner deem those reliability study elements necessary based on the proposed interconnection, rather than implying every affected system study requires each of these elements in all cases.[28] Additionally, the CAISO seeks to clarify that the affected system interconnection customer may waiver an affected system results meeting.[29] In implementation, the CAISO observed that not all interconnection customers were interested in a meeting when the results were self-explanatory. This proposed change provides flexibility to the customer.

The CAISO also proposes to add language to clarify certain timelines without changing the timelines established in Order No. 2023. First, the CAISO proposes to require technical data and an initial $1,500 study deposit from the affected system interconnection customer once the CAISO notifies the interconnection customer that its project requires an affected system study and the interconnection customer provides its study request and technical data. This will ensure that the participating transmission owner has the information and funds available up front to begin the study process.[30] The existing tariff provides a one hundred fifty (150) day study timeline, triggered by the receipt of the study

27 Proposed Section 14.5.5 of Appendix KK of the CAISO Tariff.

28 Proposed Section 14.5.6 of Appendix KK of the CAISO Tariff.

29 Proposed Section 14.5.8 of Appendix KK of the CAISO Tariff.

30 Proposed Section 14.5.2 of Appendix KK of the CAISO Tariff.

deposit and agreement from all cluster members. The CAISO seeks to amend the tariff to add the additional requirement that this time begins to run once all of the affected system interconnection customers' requests are deemed complete and valid, the study agreement is executed and the increase to the study deposit as outlined in the study agreement has been made.[31] This will eliminate timing issues encountered by the CAISO during implementation and ensure that the CAISO has adequate information to begin the process.

Finally, the CAISO proposes an additional tariff amendment to clarify the timing of the study in relation to other studies. The CAISO proposes removing the requirement to queue affected system interconnection customer study requests before an interconnection cluster that has yet to complete its cluster study.[32] Instead, the CAISO proposes that relative to the CAISO's interconnection customers, the affected system interconnection customer's queue position would fall after any existing CAISO interconnection requests, regardless of whether the cluster study has been completed or not. The CAISO proposes this change to minimize disruption to the existing interconnection process. Though a cluster study may not be complete, the CAISO may be actively conducting the study. Introducing an affected system interconnection customer study into that process may impact the results of the ongoing cluster study in a way that requires the CAISO to undertake work it has already completed. The CAISO also clarifies that the results of an affected system study in a study area must be complete before the CAISO can start a new affected system study in the same study area. This similarly allows the CAISO and participating transmission owner to consider identified impacts and upgrades in the earlier affected system study in the later affected system study.

Each of these clarifications provides more certainty to the existing process and will aid in the CAISO efficiently processing these affected system study requests. The CAISO proposes these revisions under the "independent entity variation" standard of review established in Order No. 2003.[33] The Commission has granted independent entity variations from rulemakings when a Regional Transmission Organization (RTO) or Independent System Operator (ISO) demonstrates that the proposed variation (1) is just and reasonable, and not unduly discriminatory or preferential, and (2) accomplishes the purposes of the

31 Proposed Section 14.5.7 of Appendix KK of the CAISO Tariff.

32 Proposed Section 14.5.3 of Appendix KK of the CAISO Tariff.

33 Order No. 2023 at P 1744.

order.[34] Order No. 2023 adopted uniform affected system study procedures in order to ensure that the "process moves along expediently, providing clarity, cost certainty, and increased transparency."[35] Each of these proposed tariff amendments are just and reasonable and accomplish the purpose of the order.

First, the proposal to clarify that additional deficiencies can continue to be cured under additional cure periods is just and reasonable because it allows affected system interconnection customers to address new deficiencies that arise with subsequent cure periods, providing them the opportunity to continue to engage with the CAISO to finalize their affected system study. Adding clarity around the potential for additional cure periods reflects the CAISO's experience that technical data submitted to cure a deficiency may itself contain an additional deficiency.[36] It is therefore just and reasonable to allow for additional cure periods for affected system interconnection customers to cure new deficiencies.

Second, the proposal to limit the affected system study to only those elements that the CAISO and PTO deem necessary to produce the needed results enhances the efficiency and speed of the process by not requiring elements that may be unnecessary to a specific affected system interconnection customer's situation. Order No. 2023 provides flexibility to the affected transmission provider in conducting certain studies, such as a system impact study, or a facilities study, or a combination thereof, as deemed necessary by the transmission provider.[37] This aligns with the similar flexibility the CAISO seeks with this amendment to allow the CAISO to deem which elements of the affected system study are necessary. Ultimately, the Order "require[s] the affected system transmission provider to produce the same information that a facilities

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[34] *See, e.g.*, *Cal. Indep. Sys. Operator Corp.*, 166 FERC ¶ 61,113, at PP 9-10 (2019) (quoting Order No. 2003 at P 827) ("As an independent system operator (ISO), the Commission views CAISO as an 'independent entity' with respect to evaluating proposed variations from the *pro forma* interconnection rules established in Order No. 2003. . . . [T]he Commission concluded [in Order No. 2003] that 'an RTO or ISO shall therefore have greater flexibility to customize its interconnection procedures and agreements to fit regional needs.'" *See also Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,223, at P 8 (2022) ("We also find that CAISO's proposed revisions, permitted under the independent entity variation standard, accomplish the purposes of Order No. 2003 by fostering increased development of economic generation by reducing interconnection costs and time and encouraging needed investment in generator and transmission infrastructure.").

[35] Order No. 2023 at P 1110.

[36] Order No. 2023 at P 1158.

[37] Order No. 2023 at P 1162.

study would produce"[38] The CAISO's proposed amendment would continue to require the CAISO to produce that same information to the customer to give an accurate assessment of network upgrade costs and timelines, but would provide the flexibility to not require elements not deemed necessary in individual circumstances.

Third, the CAISO's proposal to allow an affected system interconnection customer the option to waive the meeting requirement does not prejudice the interconnection customer, but rather provides an opportunity to reflect the interconnection customer's own interest. Order No. 2023 contemplates this meeting to "facilitate transparency and meaningful communication in the affected system study process."[39] The CAISO proposes to allow the interconnection customer to determine if the study results are sufficient on their own or if more discussion is necessary. By only allowing the affected system interconnection customer, and not the CAISO, to waive this requirement, the customer retains control of the level of communication it requires to understand results.

Fourth, the CAISO's proposals that (a) the study deposit and technical data are due at the time of the affected system interconnection customer's acceptance of the study and that (b) the 150 days deadline to complete the study is triggered by valid submission are both rephrasing of the same purpose included in the Order. Order No. 2023 contemplates the same purpose in stating that "the clock for the affected system transmission provider to complete its affected system study begins after the receipt of the executed affected system study agreement and study deposit, which would include the receipt of all required technical data from the affected system interconnection customer."[40] The CAISO's proposal confirms this same purpose by explicitly stating that the technical data is required to be valid and complete. The specified $1,500 study deposit is just and reasonable because it is a sufficient deposit to cover the expected initial costs of the study without over-collecting before work is complete. Having a standard deposit also promotes certainty to affected system interconnection customers in what their initial obligations will be. In all cases, as directed by the Order,[41] there will be a true-up of actual study costs at the end of the study.

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38 *Id.*

39 Order No. 2023 at P 1169.

40 Order No. 2023 at P 1137.

41 Order No. 2023 at P 1157.

Finally, the CAISO's proposal to queue affected system interconnection customers after any earlier queue cluster is just and reasonable because it promotes efficiency in the study process. Order No. 2023 directs transmission providers to queue affected system interconnection customers before any of its own interconnection customers who have not yet received their cluster study results.[42] The CAISO recognizes this is intended to reflect an expectation that the transmission owner's own interconnection customers have not yet demonstrated their intention to proceed to the facilities study. However, in the CAISO's recent experience, applying the new intake criteria and screening process has resulted in significantly fewer withdrawals than in past clusters. Site control requirements, larger withdrawal penalties, scoring to enter the queue and the limitation on available transmission plan deliverability have all incentivized interconnection customers to do more preliminary investigation on viability related to potential network upgrades than in the past. Because of this, the cluster study results are more accurate and reflect projects that do expect to stay in queue and are not using the cluster study as their initial diligence. The CAISO seeks to queue affected system interconnection customers after earlier CAISO interconnection customer clusters because of the significant administrative burden of adding new affected system interconnection customers during ongoing study processes. Queuing an affected system queue cluster before customers currently being studied impacts the ongoing study process because it may require the CAISO to significantly alter the study assumptions and intermediary results used in finalizing the cluster study report. The CAISO's proposal supports efficiency, accurate information, and speed of the interconnection process for all interconnection customers because it maintains existing customer timelines. As described above, these interconnection customers have vetted their projects for viability and the CAISO has observed that they largely intend to remain in the queue. Order No. 2023 describes the purpose of the queuing order as providing "greater certainty to interconnection customers regarding affected system network upgrade costs while ensuring a faster affected system study process...using more realistic study assumptions and studying a more realistic number of affected system interconnection customers…"[43] As the CAISO has observed in its own transmission planning region, however, adding an additional affected system interconnection customer queue cluster during an ongoing study process can result in a slower process overall when elements of the cluster study

[42] Order No. 2023 at P 1141.

[43] Order No. 2923 at P 1121.

need to be revised or repeated. Instead, the CAISO's proposal would result in more accurate results for all interconnection customers and a more orderly planning process, giving interconnection customers more certainty regarding their earlier diligence. In the same vein, the CAISO's related proposal that a new affected system study may need to be delayed until an earlier affected system cluster is completed if they are in the same study area similarly supports realistic study assumptions because the CAISO is not simultaneously studying separate clusters in the same area and similarly not needing to potentially revise or coordinate ongoing studies.

C. Interconnection Service Retention

a. Background

Generating units may cease operations for a variety of reasons, including planned maintenance, a decision to mothball a unit,[44] or a decision to retire and decommission a unit. In the case of a planned maintenance outage, generator owners must notify the CAISO in advance of when their generating unit may become inoperable to ensure the CAISO can conduct a reliability study.[45] Decisions to mothball or retire a unit require at least ninety days' notice specifying the actual date the resource has or will become inoperable, the effective date of the retirement and the chosen retirement scenario.[46] After a valid ninety (90) days' notice and affidavit are received, the CAISO initiates the reliability review process to assure it can maintain local and system reliability without this resource. If the technical review process concludes that the CAISO system remains reliable without the resource, then the CAISO will approve the mothball/retirement request.[47] The mothball retirement approval letter will include specific data related to their specific chosen retirement scenario,

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[44] Mothball refers to a decision by a generator owner/operator to take a generating unit out of service and unavailable to the electrical grid, rather than permanently retired. Generating units subject to mothball status maintain the ability to return to service.

[45] *See* Section 25.5 of the CAISO Tariff.

[46] Section 25.5 of the CAISO Tariff.

[47] This filing pertains only to those generators that do go on extended outage. If the technical review process concludes that reliability cannot be maintained without the resources being operational then the retirement/mothball request will be denied and the CAISO will work with the owner of the resource towards negotiation and implementation of a Reliability Must Run (RMR) agreement for the resource to continue operation. The owner of the resource may also enter a resource adequacy-type contract with another party, in lieu of the RMR agreement directly with the CAISO, as long as that contract ensures the resource will stay operational.

including the retention period of deliverability and interconnection rights, if applicable.

Following the interruption of operation, the generator owner may choose to recommence operations without modernization, repower, mothball (extended outage then recommence operations), or retire the generating unit permanently. Repowering refers to the process where an existing generating unit is replaced with either the same (but modernized) generating technology, or with a different technology. When a generating unit ceases operation, it continues to hold deliverability and interconnection service capacity for a period of time. However, holding deliverability and interconnection service capacity triggers future study results to identify additional network upgrades at ratepayers' expense for other interconnections when there is available capacity. If a resource ceases operations beyond twelve months, the CAISO treats this as an extended outage that must be addressed with separate rules because of the impacts to planning.

Due to the potential changing characteristics of a repowering generating unit, the option to repower requires separate analysis and process. When a generating unit requests to repower, the CAISO conducts an initial study to determine whether the repower is possible without additional study. When required, and upon receipt of the repower request form, and the submission of the complete technical data, and a study deposit, the CAISO issues a draft study plan to the generator owner within thirty (30) days for the additional study.[48] Upon receipt of the generator owner's concurrence with the study plan the CAISO will commence the study. The CAISO generally completes the study within ninety (90) calendar days from the date the CAISO receives the signed study plan.[49]

If the proposed generating unit is found, through the repower study process, to substantially change the electrical characteristics of the existing generating unit, it must submit a new interconnection request in the next queue cluster study process; however, the interconnection request maintains its existing interconnection service capacity and deliverability. The interconnection request also automatically goes through the cluster screens for new projects because the CAISO and transmission owner need to ensure the replacement generation does

[48] Section 25.1.2.3 of the CAISO Tariff describes the procedures for this study.

[49] If the CAISO cannot complete the study within that time period, the CAISO will notify the generator owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

not negatively impact the grid. If a developer sought to *expand* its capacity beyond the original unit, the expansion would be scored separately under the cluster screens.

A generator owner may instead be undecided and wish to retain its rights to interconnection service and deliverability, if applicable, during an afforded window to decide. This can take two forms: if the owner knows it will not use the existing plant, it may begin decommissioning the plant while preserving its rights. This often occurs while determining whether a repowering study will be successful using a different technology or configuration. Alternatively, if the owner does not know whether it will resume operations of the original plant, repower, or simply retire, it may mothball the generating unit while it decides.

If a generating unit has reached end-of-life and the generator owner does not want to repower the generating unit, the generator owner may choose to retire the generating unit permanently and release the associated interconnection service capacity and deliverability back into the system. After a generating unit is permanently retired, the generating unit is removed from the CAISO network model and transmission planning base cases.

b. Proposed Tariff Amendment

To ensure prudent use of existing capacity and to incentivize timely repowers and returns to service, the CAISO proposes new tariff language to address options for generating units on long-term outage and the ability to retain deliverability and interconnection service.[50]

The CAISO tariff currently includes affidavit requirements for repowering, and the CAISO proposes minor changes to this existing tariff section to unify terminology.[51] Under the additional proposed tariff provisions, generating units that cease operations must notify the CAISO and determine a path forward with specific timelines and requirements, described below. These proposed tariff amendments are applicable to generating units that seek an outage of over

[50] Proposed Section 25.6 of the CAISO Tariff describes the processes for non-operating facilities and retirement. The CAISO also proposes an amendment to Section 25.1 of the CAISO Tariff to describe the applicability of this section to such resources.

[51] Proposed Section 25.1.2 of the CAISO Tariff includes amendments to rename the generic "affidavit" to "repower request," and to confirm that all repower requests must comply with the commercial viability criteria included in the interconnection process. The timeline for compliance will be based on the repower request date submission, for avoidance of doubt.

twelve months initially, or those that initially submit a request for a shorter outage, but later intend to remain on outage for longer than twelve months and seek an extension.

1. Scenarios

Scenario one (1) is for generators that have submitted a repower request or will repower by entering an interconnection queue and be studied pursuant to the CAISO's resource interconnection standards.[52] Once selected, generators under this scenario may still decide to permanently retire at a future date, but may not later become undecided or mothball.

Scenario two (2) is for generators that intend to retire, but wish to retain the deliverability status and interconnection service capacity for a period and still need to either complete an assessment for repowering or enter the interconnection queue.[53] Under this scenario, a transmission plan deliverability assessment study will determine the amount of deliverability to be retained. These generators may later select either of those paths, or may permanently retire, but may not mothball.

Scenario three (3) is for generators that will permanently retire and release their deliverability and interconnection service capacity.[54] Generators may be defaulted into this scenario if existing interconnection agreements are terminated or expired without renegotiation. Generators under this scenario may not select another scenario at a later date.

Scenario four (4) is for generators that would like to mothball, or temporarily be unavailable, for longer than twelve continuous months but expect to return to service.[55] Generators under this scenario may be temporarily offline due to economic reasons or for repairs in progress. These generators may later choose to repower or permanently retire, but cannot later select the undecided scenario.

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52 Proposed Section 25.6.1 of the CAISO Tariff.

53 Proposed Section 25.6.2 of the CAISO Tariff.

54 Proposed Section 25.6.3 of the CAISO Tariff.

55 Proposed Section 25.6.4 of the CAISO Tariff.

In general, the CAISO's proposal to clearly allow or prohibit certain changes between retirement scenarios provides optionality to the generators while ensuring certainty in the CAISO's long-term planning practices. The CAISO proposes that a generating unit is permitted to make the changes between retirement scenarios within twenty-four (24) months of the generating unit ceasing operation, at which point all changes are final.[56] This proposal is just and reasonable because the timeframe allows for generators to have a significant amount of time to consider their options, while also providing a date-certain for the CAISO to move forward with any changes to planning, promoting efficiency in the planning process.

2. Timelines

Under the proposed tariff amendments, generating units currently generating and planning to cease operation under any scenario are required to submit a repower request form within ninety (90) days of planned outage date to avoid delays in outage process.[57] This includes those in all scenarios, including those in mothball status and intending to be temporarily offline. Following the study process described above and once an outage is approved, the generating unit must maintain compliance with timelines for the next set of submissions. The first is due within twelve (12) months of ceasing operation, when all generating units must submit a retirement affidavit, selecting a retirement scenario, which will then determine timelines going forward.

Generating units that seek to permanently retire will not have additional submissions required. Generating units in scenarios one (repowering), two (undecided), and three (mothball) that intend to repower will have twenty-four (24) months from ceasing operation to submit a repower request or a new interconnection request. The process will then follow the applicable timelines under those interconnection processes, already codified in the tariff. Similar to new interconnection requests, repowers have seven (7) years from the repower request date to achieve commercial operation. Otherwise, meeting commercial viability criteria is required to retain deliverability. If the criteria cannot be met, the repower is canceled and the generating unit is permanently retired.

[56] Proposed Section 25.6 of the CAISO Tariff.

[57] Proposed Section 25.6 of the CAISO Tariff. For avoidance of doubt, note the CAISO utilizes the same form, entitled "repower request form" for all scenarios, including retirement.

Those in mothball scenario four that are not submitting a repowering or interconnection request must provide their targeted online date. Additionally, starting at the twenty-four (24) month mark, those in mothball scenario four must begin providing status reports every six (6) months to demonstrate timing and plan to return to service. Within thirty-six (36) months of ceasing operation, those in this scenario must return to service.

However, mothballed units may continue maintenance or equipment replacement beyond the thirty-six (36) month point and will retain deliverability and interconnections service rights, so long as generator owner (1) provides notice to the CAISO and the CAISO agrees to the reasoning (where agreement will not be unreasonably withheld), (2) maintains good standings of the contracts and progress to commercial operations, and (3) demonstrates continued equipment procurement and progress to return to service.

The following two figures demonstrate both the initial timeline for units under all scenarios, and timelines for each scenario once selected.

Figure 2. Timelines prior to selecting scenario.

Scenario	**Request due**	**CAISO study complete**	**Retirement affidavit due, selecting scenario**
ALL or TBD	90 days before ceasing operations	90 days from receipt of signed study plan	Within 12 months of ceasing operations

Figure 3. Timelines following scenario selection

Scenario	Repower request due	Online date due	Ability to change scenario, subject to limitations	6-month status reports begin	Return to service
Repower	Within 24 months of ceasing operations	N/A	Within 24 months of ceasing operations	N/A	N/A
Undecided	Within 24 months of ceasing operations (if applicable)	N/A	Within 24 months of ceasing operations	N/A	N/A
Permanent Retirement	N/A	N/A	N/A	N/A	N/A
Mothball	Within 24 months of ceasing operations (if applicable)	Within 24 months of ceasing operations (if applicable)	Within 24 months of ceasing operations	Beginning at 24 months after ceasing operations	Within 36 months, unless extension sought

These timelines provide adequate opportunity for generating units on extended outage to analyze their options for repowering or retirement and to make a selection. The timelines also have a firm date for determination that will ensure best use of interconnection service and deliverability by a date certain. These tariff amendments are just and reasonable because they provide sufficient time for generator owners to determine the best path forward. Specifically, the 24 months for the ability to change scenario, subject to limitation, and any subsequent repower request allows for two annual cycles for generating units to assess system and economic conditions and factors that may impact their decision and protects from incomplete information in the case of an anomalous year of data. For those generating units that have selected mothball, the CAISO's additional requirement at this 24-month mark to begin providing status

updates further protects ratepayers by providing a monitoring mechanism when repairs are at issue to ensure generators are continuing to make progress to return to service. However, the CAISO understands the reality of certain repairs, and thus an option to seek an extension to the return to service deadline, if necessary, reflects an ability to adapt to material or labor availability.

3. Transition Period

The CAISO recognizes that several generating units are currently on outage and may need additional time or accommodation to make the transition to the CAISO's new timelines. The CAISO proposes that generating units on outage that have already notified the ISO they will repower or retire will continue on those paths. They will only be required to meet the timelines for doing so starting with the effective date of these tariff revisions (not retroactively). To accommodate any extra time, generators on outage prior to the effective date of proposed Section 25.6 of the CAISO Tariff will have one (1) year from the effective date of the new tariff language in which to submit a retirement affidavit and select a scenario. Such generating units and also generating units that already provided a retirement affidavit prior to the effective date will be given the greater of 36 months from ceasing operations or 24 months from the effective date of the new tariff language to submit their repower study request or an interconnection request. The CAISO worked with stakeholders to determine an acceptable amount of time for this extension that met both the needs of the generating units and the need for certainty of the CAISO. This transition will allow the CAISO to improve the status quo by implementing new tariff amendment processes without unnecessarily prejudicing generating units operating without these provisions and giving them additional time to comply.

4. Loss of interconnection service capacity and deliverability

Generating units that complete the above requirements within the specified timeframes will remain in good standing and retain their interconnection service capacity and deliverability.[58] If a required action under the tariff is not completed within the specified timeframe, the generating unit will be considered to be in breach of the agreements with the CAISO to which it is a party. The CAISO will notify the unit under the relevant agreements. Failure to cure any

[58] Proposed Section 25.6 of the CAISO Tariff.

breach will lead to default and termination. The CAISO proposes that at such a point, the generating unit will be considered permanently retired. The CAISO will remove the generating unit from the CAISO base case, releasing the associated interconnection service capacity and deliverability back into the system and made available to others. This is just and reasonable because it supports fairness where ratepayers have funded infrastructure to support interconnection service capacity and deliverability and it should be released back to operational projects should those generating units not follow requirements for retention and return to service in a reasonable amount of time.

5. Changes to Capacity

The CAISO also proposes provisions that address changes to capacity during repowers or retirements.[59] First, in the event a generating facility repowers with a lower interconnection service capacity than the facility's current interconnection agreement capacity and does not submit a repower request or enter the queue cluster application window for the remaining capacity within the timeframe defined above, the interconnection service capacity in the interconnection agreement will be reduced to the capacity of the approved repower. Second, generators that retire a portion of a facility and request to continue to operate the remaining units must include the intent to operate a portion of their facility as part of their retirement request. Third, in the event a facility added battery storage or other technology (*e.g.*, via a modification request) and the original unit ceases operation and does not complete a repower or return to service within the applicable timeframes outlined above, the original unit will be considered permanently retired and the interconnection agreement will be amended to reflect the technology, interconnection service capacity, and deliverability of the remaining units of the facility.

These proposed amendments are intended to anticipate possible scenarios related to changes in capacity and to treat individual units or portions of a facility in alignment with the various requirements for repowering or retiring, as applicable. The Commission should accept these provisions as just and reasonable because they provide certainty related to the process of retaining deliverability and interconnection service to projects that seek to go on extended outage, while providing certainty to ratepayers that deliverability and interconnection service will not be tied up and unused indefinitely. These tariff

[59] Proposed Section 25.6.5 of the CAISO Tariff.

amendments anticipate all options for projects, including those that are undecided and those seeking to change capacity, with specific timelines for determining next steps.

D. Downsizing Submission Clarifications

a. Background

Under the CAISO's tariff, interconnection customers may submit a request to downsize their projects through a material modification assessment by either November 30 or May 30, depending on which queue cluster they belong. These specific dates were aligned with a reassessment start date in Appendix DD to the CAISO tariff, which specifies prior generator interconnection deliverability allocation procedures. [60] At the time of filing of Appendix KK – now applicable resource interconnection standards, the CAISO did not recognize that these specific dates did not align with the new cluster and restudy timelines. Under the prior study timelines, the CAISO and participating transmission owners had between 127 and 198 days from the due date of downsizing requests to the start of the reassessment, depending on the queue cluster. However, with these fixed dates and the new reassessment timeline, the CAISO has significantly less time to validate and complete the modification requests necessary to include in the reassessment study. For example, the dates calculated for the most recent Cluster 16 include the reassessment study beginning July 26, 2027. From the May 30 deadline this only allows the CAISO 57 days to process any requests.

b. Proposed Tariff Amendment

The CAISO proposes minor changes to the deadline for downsizing material modification assessment applications. For all clusters, the CAISO proposes that these will be due 180 days prior to start of the reassessment.[61] This change does not materially change the amount of time the CAISO and participating transmission owners have previously had to complete the assessment, but aligns the dates with the new study procedures. This proposal

[60] Section 6.7.2.3 of Appendix DD and the same section in Appendix KK of the CAISO Tariff notes that a modification assessment can take up to 120 calendar days.

[61] Proposed Section 6.7.2.7 of Appendix DD and Proposed Section 6.7.2.7 of Appendix KK of the CAISO Tariff. Though the most recent clusters (clusters 15 and 16) are being processed under Appendix KK, earlier clusters that interconnected under Appendix DD are still eligible for downsizing and thus this proposed amendment must be captured in both appendices.

is just and reasonable because it ensures that the CAISO can complete downsizing request assessments before the tariff-defined start of the reassessment, which will ensure the inputs into the reassessment are accurate and reflect the true planned size of interconnection customers' projects. This will promote an orderly reassessment with more accurate results. The CAISO publicly posts all dates related to the queue cluster process on its website and proposes to include this specific date each year in that annual public posting to eliminate interconnection customers needing to calculate the date themselves.

II. Stakeholder Process for these Tariff Amendments

The CAISO conducted a stakeholder process to develop these distinct tariff amendments in three separate processes, and further discussed the proposed tariff language for each of these amendments in a combined process. In all three initiatives, stakeholders broadly supported the proposals included in this filing.

In 2023, the CAISO initiated the Interconnection Process Enhancements 2023. Track 3 of that stakeholder initiative began in July 2024. The CAISO published four papers and held six stakeholder calls related to this track. In this stakeholder process, the CAISO proposed several changes to the transmission plan deliverability allocation process, some of which were further adjusted in a subsequent Interconnection Process Enhancements initiative, described below. The Board approved this final proposal on March 26, 2025, and the majority of the proposals were filed and approved by the Commission on April 25, 2025.[62]

In July 2025, the CAISO initiated the Interconnection Process Enhancements 5.0 stakeholder initiative. This stakeholder initiative included several proposed tariff amendments described and discussed in five papers and approved by the Board on April 30, 2026. The CAISO filed tariff amendments at the Commission, which were approved on August 4, 2026.[63] This initiative also included additional revisions to the transmission plan deliverability allocation proposal as anticipated from Interconnection Process Enhancements 2023, including the ability of Energy Only projects to seek deliverability once in commercial operation. The CAISO also included certain enhancements to the process for studying the CAISO as an affected system.

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62 *Cal. Indep. Sys. Operator Corp.*, 191 FERC ¶ 61,218 (2025).

63 *Cal. Indep. Sys. Operator Corp.*, 196 FERC ¶ 61,101 (2026), and *Cal. Indep. Sys. Operator Corp.,* Commission Letter Order, Docket No. ER26-2747 (Sept. 30, 2026).

Finally, on April 6, 2026, the CAISO began a stakeholder initiative to develop interconnection service capacity and deliverability retention provisions for non-operating generating facilities, following a complaint made to the Commission regarding the CAISO's decision to terminate full capacity deliverability status of an offline generator.[64] The complaint alleged that the CAISO unlawfully terminated the deliverability status of a generating unit following several years of being disconnected from the CAISO grid. The Commission denied the complaint, citing the CAISO tariffs existing rules around resource adequacy and deliverability.[65] The CAISO now seeks to add clarity through specific tariff provisions regarding these retirement or mothball situations. Similarly, the CAISO was also spurred to establish tariff rules following the ISO New England's filing related to prolonged forced outages.[66] The CAISO posted a straw proposal, draft final proposal, and final proposal with two associated stakeholder calls. The Board of Governors approved the policy on July 15, 2026.

The CAISO posted draft tariff language related to this filing, accepted comments, and held a public meeting to discuss the proposed tariff language. The CAISO subsequently posted revised tariff language that made limited changes based on feedback from stakeholders regarding the clarity and alignment with the policy.

III. Effective Date(s)

The CAISO respectfully requests that the Commission issue an order accepting the tariff revisions by February 12, 2027. The CAISO requests an effective date of February 12, 2027 for these tariff revisions.

[64] Cometa Energia, S.A. de C.V., /o/b/o., Energia Azteca X, S. de R.L. de C.V. v. California Independent System Operator, Docket No. EL24-92.

[65] *Cal. Indep. Sys. Operator Corp.*, 187 FERC ¶ 61,193 (2024).

[66] *Revisions to ISO New England Inc. Open Access Transmission Tariff to Revise Rules Related to the Establishment of Service for Distributed Energy Resource Participation*, ER26-1956.

IV. Communications

Under Rule 203(b)(3),[67] the CAISO respectfully requests that all correspondence and other communications about this filing be served upon:

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V. Service

The CAISO has served copies of this filing on the CPUC, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

VI. Contents of this filing

Besides this transmittal letter, this filing includes these attachments:

Attachment A	Clean CAISO tariff sheets
Attachment B	Redlined CAISO tariff sheets
Attachment C	Interconnection Process Enhancements Board of Governors Memo (May 17, 2023)
Attachment D	Interconnection Process Enhancements 5.0 Board of Governors Memo (April 30, 2026)

[67] 18 C.F.R. § 385.203(b)(3).

Attachment E	Interconnection service capacity and deliverability retention for non-operating generating facilities Board of Governors Memo (July 15, 2026)

VII. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission issue an order accepting the tariff revisions in this filing by February 12, 2027, effective as of the dates specified herein.

Respectfully submitted,

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Attachment A – Clean Tariff

Interconnection Process Enhancements – Tariff Amendment

California Independent System Operator Corporation

November 23, 2026

25. Interconnection of Generating Units and Facilities

25.1 Applicability

This Section 25 applies to:

(a) each new Generating Unit that seeks to interconnect to the CAISO Controlled Grid;

(b) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;

(c) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.

(d) each existing Generating Unit connected to the CAISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2;

(e) each existing Generating Unit that is a Qualifying Facility and that is converting to a Participating Generator without repowering or reconfiguring the existing Generating Unit, subject to Section 25.1.2;

(f) each existing Generating Unit connected to the CAISO Controlled Grid that ceases operation, discontinues operation to the CAISO Controlled Grid, or proposes to retire or repower its Generating Unit pursuant to Section 25.1.2; and

(g) Generating Units interconnecting to the CAISO Controlled Grid over a Subscriber Participating TO transmission facilities using Subscriber Rights are required to apply for TP Deliverability under Section 25.1 once (1) the Subscriber Participating TO transmission facilities have completed their transmission interconnection studies with all interconnecting Transmission Owner(s), (2) Subscriber(s) have executed the Generator Interconnection Agreement, (3) the Subscriber Participating TO has committed to proceed with Construction Activities regarding the Subscriber Participating TO transmission facilities, and (4) the applicant provides a notice in writing to the applicable interconnecting Transmission Owners that it is proceeding with Construction Activities. Once these criteria have been completed, the Generating Unit must apply as follows:

(1) each Generating Unit possessing Subscriber Rights and receiving Deliverability from TPP-approved Network Upgrades shall apply for TP Deliverability allocation through the submission of a Subscriber Participating TO-specific deliverability allocation request and does not submit an Interconnection Request under Section 25;

(2) each Generating Unit that does not meet the criteria under Section 25.1(g)(1) shall be treated in accordance with Section 25.1(a).

25.1.1 Interconnection Request and Generating Unit Requirements

The owner of a Generating Unit described in Section 25.1 (a), (b), (c), or (g), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2 Repower Requirements

If the owner of a Generating Unit described in Section 25.1(d), (e), or (f) or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit repower request to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the repower request shall include supporting information describing any such changes and a $50,000 deposit for the study. The CAISO, in coordination with the applicable Participating TO, will evaluate whether the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change.

The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

25.1.2.1 If the CAISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However, the owner of the Generating Unit, or its designee, will be required to execute a CAISO Generator Interconnection Agreement, as applicable. All Generation Units described in Section 25.1(d), (e), and (f) will be required to comply with the CAISO's new resource implementation process to ensure compliance with applicable tariff provisions and Applicable Reliability Criteria, as specified in the Business Practice Manuals. All repower requests must comply with Commercial Viability Criteria requirements as outlined in the CAISO tariff, Appendix DD and KK, as applicable, where time will be calculated starting on the date the repower request is submitted.

25.1.2.2 If the CAISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Generating Unit, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2.3 Upon receipt of the repower request form, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within thirty (30) days. Upon receipt of an executed study plan the CAISO will commence the study. The CAISO will complete the study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete the study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the study shall be borne by the Generating Unit owner requesting the study.

25.1.2.4 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the study. If the actual costs of the study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the study.

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25.6 Non-Operating Facilities and Retirement

Participating Generators that do not comply with the requirements of this Section 25.6 will be considered in breach of their relevant agreements with the CAISO, and failure to cure will result in the generator being permanently derated or retired and losing TP Deliverability and Interconnection Service Capacity commensurate with their loss of output, no later than 36 months after such loss.

Participating Generators that intend to make their Generating Unit(s) unavailable must communicate their intent to the CAISO and Participating TO in writing according to the notice requirements further described in the applicable Business Practice Manuals. The period of unavailability may include Outages, mothball, retirement, withdrawal from the CAISO Markets or any other actions that results in the Participating Generator's not complying with Section 4.6.

A Participating Generator that intends to make their Generating Unit unavailable but is ineligible to submit a request for an Outage for a period of non-operation in accordance with Section 9, is required to submit

a retirement notice in accordance with CAISO Tariff Section 25 and Section 41.

A Participating Generator that is eligible to submit a request for Outage for the applicable period of non-operation in accordance with Section 9 and intends to remain on Outage for longer than twelve (12) months, either at the time of original Outage submission or through submission of later extensions, is required to submit a notice of retirement in accordance with Section 25 and Section 41.

Participating Generators that cease operation after the effective date of this Section 25.6 and select scenarios 1, 2, or 4 must, within twenty-four (24) months of ceasing operation, submit a repower request or a new Interconnection Request in the queue cluster application window. Within thirty-six (36) months of ceasing operation, those in scenarios 4 must terminate their period of unavailability, except when continued maintenance, equipment replacement, repair, or regulatory restrictions require a longer time of unavailability due to restrictions outside the control of the Participating Generator, and where the Participating Generator provides timely notice to the CAISO of such restrictions and the ISO agrees to agreement not to be unreasonably withheld.

Participating Generators on outage prior to the effective date of this section 25.6 will have one (1) year from the effective date of the new tariff language in which to submit a retirement affidavit and select a scenario. Such Participating Generators and also Participating Generators that provided a retirement affidavit prior to the effective date of this section 25.6 will be given the greater of 36 months from ceasing operations or 24 months from the effective date of the new tariff language to submit their repower study request or an interconnection request.

A Participating Generator is permitted to make the changes to selected status, subject to the limits described in the Sections below, between retirement scenarios. All changes must occur within twenty-four (24) months of the Generating Unit ceasing operation.
All Participating Generators submitting a notice of retirement in accordance with Sections 25 and 41 shall select one of the four retirement scenarios provided under Section 25.6. The CAISO shall assess if the Participating Generator is able to retain the Generating Unit's Deliverability Status and Interconnection Service Capacity based on eligibility under the four scenarios described below. The timeline for retention of Deliverability or Interconnection Service Capacity shall be calculated from the date when the Generating Facility ceased operation (and not when the notice of retirement was submitted). Participating Generators that complete submission requirements in the specified timeframes in this Section 25.6 and the applicable Business Practice Manuals retain their Interconnection Service Capacity and Deliverability.

25.6.1 Scenario 1: Repowering / Entered Queue

Participating Generators under scenario 1 have either (a) submitted a repower request pursuant to Section 25.1.2 of the CAISO Tariff or the appropriate Participating TO's tariff; or (b) will repower by entering the CAISO or Participating TO generator queue cluster application window to be studied pursuant to the RIS (Appendix KK). Participating Generators selecting scenario 1 may change to scenario 3 at any time, but may not change to scenarios 2 or 4.

25.6.2 Scenario 2: Undecided and Decommissioning Generating Unit

Participating Generators under scenario 2 will decommission and retire the Generating Unit and wish to retain the Generating Unit's Deliverability status and Interconnection Service Capacity, but has not yet (a) completed the assessment for the repowering process; or (b) entered into the CAISO or Participating TO generator interconnection queue after a determination that it is ineligible for the affidavit repowering process. If approved under scenario 2, a TP Deliverability assessment study will determine the amount of Deliverability to be retained. Participating Generators selecting scenario 2 may change to scenario 1 or 3 at any time, but may not change to scenarios 4.

25.6.3 Scenario 3: Permanent Retirement and Release of TP Deliverability

Participating Generators will be permanently retired when selecting or assigned to scenario 3. Generating

Unit is not permitted to repower, will lose its TP Deliverability and Interconnection Service Capacity, and its existing interconnection agreement will be terminated. Generating Facilities that have expired or terminated Generator Interconnection Agreements by default will be subject to requirements of scenario 3. Participating Generators selecting or assigned to scenario 3 may not change to other scenarios.

25.6.4 Scenario 4: Mothball or Temporary Offline Status

Participating Generators under scenario 4 will be in mothball or on Outage for longer than twelve continuous months and expect to return to service. If on Outage, the Participating Generator must return to service. Participating Generators selecting scenario 4 may return to service or change to scenario 1 or 3 at any time, but may not change to scenario 2.

25.6.5 Changes to Capacity

In the event a Generating Facility repowers with a lower Interconnection Service Capacity than the Generating Facility's current Generator Interconnection Agreement capacity and does not submit a repower request or enter the queue cluster application window for the remaining capacity within the timeframe defined above, the Interconnection Service Capacity in the Generating Facility's Generator Interconnection Agreement will be reduced to the capacity of the approved repower.

Participating Generators that retire a portion of a Generating Facility under any scenario and request to continue to operate the remaining units at their Generating Facility must include the intent to operate a portion of their Generating Facility as part of their retirement request. In the event a Generating Facility added battery storage or other technology (e.g. via a modification request) and the original Generating Unit ceases operation and does not complete a repower or return to service within the applicable timeframes outlined above, the original Generating Unit will be considered permanently retired and the Generator Interconnection Agreement will be amended to reflect the technology, interconnection service capacity, and deliverability of the remaining Generating Unit(s) of the Generating Facility. The Participating Generator may be required, as determined by the ISO or Participating TO, to submit a new modification request to update the technical parameters and model of the Generating Facility.

Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

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6.7.2 Modifications

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6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the $30,000 deposit, by 180 calendar days prior to the next restudy, to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request. A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

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8.9 Allocation Process for TP Deliverability

After the Phase II Interconnection Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a market notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

Beginning with the TPD allocation and retention cycle that occurs in 2027, all requirements applicable to seeking an allocation of TPD and retaining a TPD allocation are subject to the tariff provisions and processes in Appendix KK.

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8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. Unless the Interconnection Customer provides the CAISO with an executed Energy Only power purchase agreement for the capacity losing Deliverability at the time it requests the Deliverability transfer, the assignor capacity must be removed from queue by withdrawal or downsizing the Generating Facility. The CAISO will not accept Energy Only power purchase agreements that require Deliverability or include a Resource Adequacy obligation. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this GIDAP, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

Any TP Deliverability that is allocated to an operational Energy Only project cannot be transferred to a project in the interconnection queue but can be transferred to another project in commercial operation in accordance with Section 8.9.9. Energy Only capacity within an operational project cannot receive a TP Deliverability allocation via a transfer from a queued (non-operational) project. A facility may also transfer deliverability within its own units at any time.

Transfers from Cluster 14 and earlier to Cluster 15 and later are permitted provided the transferring project will remain subject to the Appendix DD retention policies, whereby the receiving project must maintain the same requirements and obligations of the transferring project.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

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6.7 Cluster Study Report Meeting

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on the CAISO Website, the CAISO will convene a Cluster Study Report Meeting.

6.7.1 [Not Used]

6.7.2 Modifications.

6.7.2.1 During the course of the Interconnection Studies, the Interconnection Customer, Participating TO, or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the CAISO, the Participating TO, and the Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO will modify the Point of Interconnection.

6.7.2.2 Prior to the end of the Customer Engagement Window, modifications permitted under this Section shall include specifically:

(a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;

(b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics;

(c) modifying the interconnection configuration;

(d) modifying the In-Service Date, Initial Synchronization Date, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld; and

(e) Permissible Technological Advancements consistent with Section 6.7.2.4.

For plant increases, the incremental increase in plant output will go in the next Cluster Application Window for the purposes of cost allocation and study analysis. For any modification other than these, the Interconnection Customer

must first request that the CAISO evaluate whether such modification is a Material Modification. The CAISO and Participating TO will study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Prior to the return of the executed Interconnection Facilities Study Agreement to the CAISO, the modifications permitted under this Section will include specifically:

(a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying the CAISO-approved injection-limiting equipment;

(b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and

(c) a Permissible Technological Advancement for the Generating Facility after the submission of the Interconnection Request. Section 6.7.2.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 6.7.2.2(c) is a Material Modification. Appendix A to the CAISO Tariff contains a definition of Permissible Technological Advancement.

If any Interconnection Customer requested modification after the Cluster Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

6.7.2.3 The Interconnection Customer shall provide the CAISO a $30,000 deposit for the modification assessment at the time the request is submitted. Except as provided

below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within sixty (60) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request, and payment of the $30,000 deposit. Any request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this RIS. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to one hundred twenty (120) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.4 Interconnection Customers may request Permissible Technological Advancements. Permissible Technological Advancements may include, for example, removing equipment; aligning the Commercial Operation Date with an executed power purchase agreement; adding less than 5 MW of energy storage once without increasing the net output at the Point of Interconnection; and other changes that have little or no potential to affect other Interconnection Customers or Affected Systems, require a new Interconnection Request, or otherwise require a re-study or evaluation. The CAISO will update its Business Practice Manual to list any additional Permissible Technological Advancement approved but not specifically enumerated here when identified. The Interconnection Customer's written request to evaluate technological advancements must include the technical data required to assess the request.

For all Permissible Technological Advancement requests not expressly enumerated in this Section or the Business Practice Manual, the CAISO and

Participating TO will determine whether such change would constitute a Material Modification. Such evaluation will include an analysis of the short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability, and impact on other Interconnection Customers. The CAISO will determine whether a Permissible Technological Advancement request is a Material Modification within thirty (30) calendar days of receipt of the request. Interconnection Customers requesting Permissible Technological Advancements must pay a non-refundable fee of $2,500.

6.7.2.5 Notwithstanding any other provisions in this RIS or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

(a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving its Commercial Operation Date;

(b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request; or

(c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the CAISO received its Interconnection Request.

The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as fuel-type modifications. Interconnection Customers may request such modifications pursuant to this RIS.

6.7.2.6 In addition to the options provided in this RIS, an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its Interconnection Facilities Study. This conversion will become effective through the reassessment process described in Section 7.4. However, once an Interconnection Customer seeks an allocation of Transmission Plan Deliverability for a project, that project becomes ineligible to convert to Energy Only. Interconnection Customers electing to convert to Energy Only after the completion of their Interconnection Facilities Studies will forgo eligibility for cash reimbursement for all Network Upgrades, but may receive Merchant Transmission CRRs pursuant to Section 36.11 of the CAISO Tariff. Interconnection Customers that become Energy Only after their Interconnection Facilities Study may not reduce their cost responsibility for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing

requests, including the $30,000 deposit, by 180 calendar days prior to the next restudy, to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of deposits or penalties will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

6.7.2.8 Additional Generation

The Interconnection Customer may request, and the CAISO and Participating TO will evaluate, the addition to the Interconnection Request of a Generating Unit with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Unit does not increase the requested Interconnection Service level. The CAISO and Participating TO must evaluate such modifications prior to deeming them a Material Modification, but only if the Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by the Interconnection Customer to the CAISO. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

6.7.3 [Not Used]

6.7.4 Commercial Viability Criteria

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility or Generating Unit with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;

b) Providing proof of having an executed power purchase agreement. Power purchase agreements must have the Point of Interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and

GIA;

c) Demonstrating Site Control for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Control Deposit does not satisfy this criterion;

d) Having an executed Generator Interconnection Agreement ("GIA"); and

e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with this RIS or the GIA, including without limitation the criteria in Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this RIS.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone withdrawing the Generating Facility for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers may exercise this provision only once. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not withdraw the portion of the Generating Facility that is in service and operating in the CAISO Markets. Instead, the portion of the Generating Facility that has not been developed will be withdrawn.

Where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO Markets, it will be Full Capacity Deliverability Status.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the CAISO will deem them withdrawn pursuant to Section 3.8. Interconnection Customers will not be subject to annual review requirements in any year the Participating TO unilaterally extends their Commercial Operation Date, but will resume compliance the following year.

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8.9 Allocation Process for TP Deliverability

After the Interconnection Facilities Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Deliverable Option Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2, and Merchant Option Generating Facilities that did not require ADNUs in their Interconnection Studies. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a Market Notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

(a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:

(i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.

(ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.3.

(b) any Maximum Import Capability included as a planning objective in the Transmission Plan and a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA can use Maximum Import Capability made available by Participating Generators and System Resources if such allocation is made available in accordance with Section 40.4.6.2.1 (Step 13) of the CAISO Tariff; the available Maximum Import Capability made available by the Load Serving Entities that have access to Subscriber Rights until the Load Serving Entity(ies) cease using this Maximum Import Capability allocation or Delivery Network Upgrade(s) pursuant to Section 4.3A4.2(b) of the CAISO Tariff is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with Section 8.9.1(c) of this RIS;

(c) any other commitments having a basis in the Transmission Plan, including without limitation, long lead-time resources with corresponding transmission solutions, and any commitments established due to a Subscriber's exercise of its first option to acquire Deliverability made possible by Delivery Network Upgrades pursuant to Section 4.3A.4.2(a) of the CAISO Tariff, provided this first option has been exercised before the Subscriber is no longer eligible to apply for TP Deliverability allocation under Section 8.9 of this RIS. Generating Units possessing Subscriber Rights seeking to receive TP Deliverability must submit a

request and will be subject to Sections 8.9.2 and 8.9.3 of this RIS. For each Subscriber that submits a TP Deliverability request, the CAISO will provide the Subscriber with a Queue Position. The CAISO will reserve TP Deliverability for long lead-time resources specified in the Transmission Plan up to the lower of (a) the capacity of deliverable long lead-time resources in the approved Local Regulatory Authority portfolios submitted to the CAISO for the most recent Transmission Plan, or (b) the transmission capacity created by the Category 1 policy-driven transmission solutions and available on existing transmission for the long lead-time resources.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

8.9.2 Second Component: Allocating Remaining TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request. Energy Only resources that are in commercial operation, regardless of cluster, can seek TP Deliverability in either group; however, priority will be given to Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects within each group. There is no limit to the number of times operational Energy Only resource can seek a TP Deliverability allocation.

PPA Group: Interconnection Customers' capacity with executed power purchase agreements, and to Interconnection Customers that are Load Serving Entities serving their own Load.

Conditional Group: Interconnection Customers' capacity without a power purchase agreement.

A scoring process, as further defined in Section 8.9.2.1 herein and the applicable Business Practice Manual for Resource Interconnection Standards, will be utilized to rank requests seeking a TP Deliverability allocation within each group.

Interconnection Customer's queued projects with Full Capacity Deliverability Status and Partial Capacity Deliverability Status have up to four opportunities to seek an allocation of TP Deliverability during four consecutive TP Deliverability allocation cycles. The first opportunity is limited to the PPA Group where Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects must demonstrate an eligible executed power purchase agreement during the TP Deliverability allocation cycle that commences before issuance of the draft Interconnection Facilities Study report. The Conditional Group will not be open to projects that have not yet received a draft Interconnection Facilities Study report.

All Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects in a given cluster may seek TP Deliverability in accordance with the allocation group

requirements during the next three consecutive TP Deliverability allocation cycles immediately following the issuance of their cluster's draft Interconnection Facilities Study reports. Projects that have been unable to obtain an allocation of TP Deliverability after completing their four opportunities to seek an allocation shall be withdrawn without an opportunity to cure. Projects that receive a Conditional allocation during their final opportunity will have until the next TP Deliverability retention cycle to retain its Conditional allocation by demonstrating an eligible executed power purchase agreement. If it is unable to retain its allocation, the project shall be withdrawn without an opportunity to cure.

Projects that complete a technology addition through the modification process, whether prior to or after achieving Commercial Operation, will be Energy Only for that capacity addition and only be permitted to seek TP Deliverability after the added technology achieves Commercial Operation.

Energy Only capacity seeking TP Deliverability in either group may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity additions effected through modification requests. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after Full Capacity Deliverability Status and Partial Capacity Deliverability Status Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Power purchase agreements associated with Energy Only projects must be with an LSE with a CAISO resource adequacy obligation, or the interconnection customer must be a LSE developing the capacity to meet its own CAISO Resource Adequacy obligation. Non-LSE power purchase agreements are not eligible for Energy Only project capacity under the PPA group or for retention requirements under the Conditional Group.

Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a non-refundable $5,000 fee for each Interconnection Request seeking TP Deliverability to fund a study to determine the eligibility of the Energy Only capacity to receive a TP Deliverability allocation. Energy Only projects may not have DNUs constructed if needed and the capacity will not be eligible for a TP Deliverability allocation if the study determines that the project is behind a deliverability constraint.

For project capacity with a current designation of Full Capacity Deliverability Status or Partial Capacity Deliverability Status seeking to receive or retain a TP Deliverability allocation, including through demonstration of Commercial Viability Criteria in accordance with Section 6.7.4, the Interconnection Customer must represent that it has a power purchase agreement for that capacity that meets the following criteria:

(1) the agreement has a term of no less than five (5) years. Interconnection Customers with multiple, short-term agreements for the same capacity may meet this criterion where the combined terms are five (5) years or more; and

(2) the counterparty must:

(a) be a CAISO Load Serving Entity procuring the capacity to meet its own CAISO Resource Adequacy obligation; or

(b) demonstrate it has a contract to provide the capacity for at least one (1) year to a CAISO Load Serving Entity for a CAISO

Resource Adequacy obligation.

Interconnection Customers may seek or retain a TP Deliverability allocation for Full Capacity Deliverability Status or Partial Capacity Deliverability Status projects, including through demonstration of Commercial Viability Criteria in accordance with Section 6.7.4, if they meet all tariff criteria except the counterparty criterion (2); however, within thirty (30) days of receiving or retaining a TP Deliverability allocation, they must provide a deposit of $10,000 per MW of allocated TP Deliverability, but in no case less than $500,000. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The CAISO will refund the deposit when the Generating Facility begins Commercial Operation or meets the counterparty criterion, whichever is earlier. To the extent the Interconnection Customer withdraws, is deemed withdrawn, or otherwise downsizes or eliminates the capacity allocated TP Deliverability, the deposit or commensurate portion thereof will be non-refundable, and the CAISO will process it and any accrued interest pursuant to Section 7.6.

For all TP Deliverability allocations received or retained based upon having power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

8.9.2.1 Deliverability Requests

To determine TP Deliverability allocation ranked order, Interconnection Customers will be assigned a numerical score reflecting its demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual.

(1) Permitting status. To receive a score greater than zero in this category an Interconnection Customer's Generating Facility must meet at least one of the following criteria:

a. The Interconnection Customer has received its final governmental permit or authorization allowing the Generating Facility to commence construction.

b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.

c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.

d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.

(2) Project financing status. To receive a score greater than zero in this category, an Interconnection Customer's Generating Facility must meet the following criteria:

a. The Interconnection Customer has an executed power purchase agreement where the off-taker is a CAISO LSE procuring the capacity to meet its own CAISO RA obligation, or the Interconnection Customer is a Load Serving Entity serving its own load.

(3) GIA Status. To receive a score of greater than zero in this category an Interconnection Customer's Generating Facility must meet at least one of the following criteria:

a. The Interconnection Customer has provided the payment and security to the Participating TO in accordance with Article 5.6.4 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.4 of Appendix LL (LGIA).

b. The Participating TO has received written authorization to proceed with construction from the Interconnection Customer in accordance with Article 5.6.3 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.3 of Appendix LL (LGIA).

c. The Interconnection Customer has provided to the Participating TO the required GIA Deposit.

In allocating TP Deliverability under this section, in a situation where the available TP Deliverability cannot accommodate the full amount requested by Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on the highest numerical score. In a situation where the available TP Deliverability cannot accommodate all Interconnection Customer requests from non-operational capacity with equal scores, the CAISO will allocate the TP Deliverability to the capacity with the lowest LDNU cost estimates. In a situation where the available amount of TP Deliverability cannot accommodate all requests from operational Energy Only projects with equal scores, the CAISO will allocate the TP Deliverability using Distribution Factors (DFAX), with the project with the lowest DFAX having the higher priority.

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability.

8.9.2.2 [Not Used]

8.9.2.3 [Not Used]

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established

via market notice pursuant to Section 8.9:

Conditional allocations under the Conditional Group must be retained in the following TP Deliverability allocation cycle with an eligible executed power purchase agreement. If not retained, projects can seek a new allocation pursuant to Section 8.9.2.

For non-operational projects, including those receiving allocations in the PPA Group, the ISO will require that all LSE or non-LSE off-takers verify that the PPA provided by the interconnection customer is active and meets the tariff requirements for a power purchase agreement. Then, approximately annually, as part of the TPD retention process, all LSE or non-LSE off-takers must confirm that the PPA is still active and continues to meet tariff requirements. If the power purchase agreement with a facility that is not in commercial operation is no longer active or does not meet the requirements, the project will lose its allocation and will be able to re-seek an allocation only if its cluster is eligible to do so. For projects whose cluster has completed all opportunities to seek an allocation, the project will be required to withdraw.

a. If a project seeks to retain an allocation received from the Conditional Group with a PPA for a portion of the allocated TPD, the project may retain the amount of capacity required by the PPA, become Partial Capacity Deliverability Status and will be eligible to continue to seek to increase its allocation for the remainder of the project from any group it is eligible for until its cluster is no longer eligible to seek an allocation. Once the cluster is no longer eligible to seek an allocation, any portion of the project which did not receive a TP Deliverability allocation will be required to downsize.

b. For projects consisting of more than one resource technology that seek an allocation or to retain an allocation with a power purchase agreement, the amounts of TP Deliverability requested or retained must align with the requirements of the PPA.

To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA.

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement

Notwithstanding any provision of this RIS, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer, the project will lose the TP Deliverability allocation associated with that power purchase agreement and the Interconnection Customer may re-seek TP Deliverability with its Queue Cluster if eligible. However, if such an Interconnection Customer's Queue Cluster is no longer eligible to seek an allocation the project will be withdrawn.

8.9.4 [Not Used]

8.9.5 Partial Allocations of Transmission Plan Deliverability to Generating Facilities

An Interconnection Customer is not obligated to accept a TP Deliverability allocation for an amount less than requested. If a TP Deliverability request is allocated TP Deliverability in the current allocation cycle in an amount less than the amount of TP Deliverability requested, then the Interconnection Customer must choose one of the following options:

(i) Accept the allocated amount of TP Deliverability and continue to seek allocations in future allocation cycles for which it is eligible pursuant to Section 8.9.2. If the project is Partial Capacity Deliverability Status after exhausting all opportunities to seek an allocation, the project will be required to downsize to become Full Capacity Deliverability Status through a Material Modification request;

(ii) Reject the allocated amount of TP Deliverability and continue to seek TP Deliverability allocations pursuant to Section 8.9.2;

(iii) Accept the allocated amount of TP Deliverability and immediately reduce the MW capacity of the proposed Generating Facility through a Material Modification request such that the allocated amount of TP Deliverability will provide Full Capacity Deliverability Status to the modified Interconnection Request;

Interconnection Customers eligible to seek additional allocations of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

8.9.6 [Not Used]

8.9.7 Interim Deliverability

If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete.

8.9.8 Updates to Interconnection Study Results

Upon completion of the allocation of TP Deliverability in accordance with Section 8.9.2, the CAISO will provide the allocation results to the Interconnection Customers for eligible Generating Facilities in the current Queue Cluster. Each of these Interconnection Customers will then have seven (7) days to inform the CAISO of its decisions in accordance with Sections 8.9.4, 8.9.5, and 8.9.6. Following the CAISO's receipt of this information from all affected Interconnection Customers, the CAISO will provide updates where needed to the Interconnection Study reports for all Generating Facilities whose Network Upgrades have been affected.

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. Any allocated amounts of TP Deliverability received under the PPA Group are transferable to other projects at the same Point of Interconnection and voltage level, pursuant to Section 8.9.9. Any allocated amounts of TP Deliverability allocations received under the Conditional Group are not transferable.

An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. Unless the Interconnection Customer provides the CAISO with an executed Energy Only power purchase agreement for the capacity losing Deliverability at the time it requests the Deliverability transfer, the transferor capacity must be removed from queue by withdrawal or downsizing the Generating Facility. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this RIS, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter as a modification request also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Any TP Deliverability that is allocated to an operational Energy Only project cannot be transferred to a project in the interconnection queue but can be transferred to another project in commercial operation in accordance with Section 8.9.9. Energy Only capacity within an operational project cannot receive a TP Deliverability allocation via a transfer from a queued (non-operational) project.

TP Deliverability transfers are prohibited to non-operational earlier queued projects. Intra-cluster transfers will be permitted following the existing rights and obligations associated with such transfer.

Transfers from Cluster 14 and earlier to Cluster 15 and later are permitted provided the transferring project will remain subject to the Appendix DD retention policies, whereby the receiving project must maintain the same requirements and obligations of the transferring project.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

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13.6 Shared Network Upgrades

Interconnection Studies and GIAs will identify when Network Upgrades are shared, and their estimated construction timelines. Once identified in the Interconnection Studies, or no later than when the first Interconnection Customer sharing the Assigned Network Upgrade executes its GIA with for the Assigned Network Upgrade, the CAISO and Participating TO will notify the other Interconnection Customers sharing the Assigned Network Upgrade when their provision of security under Article 11.5 of the GIA will be required based on the construction timeline required to meet the earliest In-Service Date of the Interconnection Customers sharing the Assigned Network Upgrade. All Interconnection Customers sharing the Assigned Network Upgrade must submit (a) their authorizations to proceed with design and procurement of the shared Network Upgrade and (b) their provision of security under Article 11.5 of the GIA for the shared Network Upgrade, by the same deadline. Interconnection Customers and Participating TOs may have separate posting and authorization deadlines for each shared Network Upgrade and other non-shared Network Upgrades, but Interconnection Customers sharing Assigned Network Upgrades must have the same deadlines for them. At all times, Interconnection Customers must have sufficient Commercial Readiness Deposit, GIA Deposit, and provision of security under Article 11.5 of the GIA to meet the requirements of this RIS and the GIA.

All Interconnection Customers sharing the Assigned Network Upgrade must execute an engineering and procurement agreement under Section 12 or a GIA prior to submitting their security for the shared Network Upgrade. Where any Interconnection Customer sharing the Assigned Network Upgrade has not executed either agreement, the Participating TO will tender a draft GIA or GIA amendment, to the Interconnection Customer no later than one-hundred twenty (120) days before the provision of security deadline. The Interconnection Customer must execute the engineering and procurement agreement or GIA or request that the GIA be filed unexecuted prior to the deadline to post. The failure by an Interconnection Customer to timely (a) execute an engineering and procurement agreement or GIA or request an unexecuted filing, (b) submit the authorization to proceed, or (c) submit the provision of security for the shared Assigned Network Upgrade, under this Section, will result in the Interconnection Request being deemed withdrawn and subject to Section 3.8. The Interconnection Customer will provide the CAISO and the Participating TO with written notice that it has posted the required security no later than the applicable final day for posting.

No later than thirty (30) days after each Interconnection Customer sharing the Assigned Network Upgrade complies with this Section, the Participating TO will commence Construction Activities on the shared Assigned Network Upgrade.

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14.5 CAISO as an Affected System

The CAISO and Participating TOs whose system may be impacted by a proposed interconnection on another transmission provider's transmission system will cooperate with the transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to the CAISO Controlled Grid.

14.5.1 Applicability

This Section 14.5 outlines the duties of the CAISO and affected Participating TO when the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid. The interconnection customer will be eligible for repayment of amounts

advanced for Network Upgrades consistent with Section 14.3.2.1.

14.5.2 Response to Notifications

When the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid, the CAISO must respond in writing within twenty (20) Business Days whether the Participating TO intends to conduct an Affected System Study.

By fifteen (15) Business Days after the CAISO responds with its affirmative intent to conduct an Affected System Study, the Participating TO will share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study. The Affected System Interconnection Customer will then submit a study request, required technical data, and an initial $1,500 study deposit when submitting their project for study.

Within five (5) Business Days of receipt of notification of Cluster Restudy, the Participating TO will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that the Participating TO intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If the Participating TO decides to delay the Affected System Study, it is not required to meet its obligations under Section 14 of this RIS until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If the Participating TO decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 14.5 of this RIS.

14.5.3 Affected System Queue Position

The CAISO must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position will be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the CAISO's Interconnection Customers, this Affected System Queue Position will be lower-queued than any earlier Cluster. Consistent with Section 14.5.7 of this RIS, the CAISO and Participating TO(s) will study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 14.5.7 of this RIS will be equally queued. A new Affected System Study may need to be delayed until an earlier Affected System cluster is completed if they are in the same study area. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades will be allocated among the Affected System Interconnection Customers in accordance with Section14.5.9 of this RIS.

14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, the Participating TO will provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 11 or Appendix 12 to this RIS, as applicable, within ten (10) Business Days of the Participating TO sharing the schedule for the Affected System Study per Section 14.5.2 of this RIS.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) will compensate the Participating TO for the actual cost of the Affected System Study. Any difference between the study

deposit and the actual cost of the Affected System Study will be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study will include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) will pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) calendar days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it will lose its Affected System Queue Position. The Participating TO will notify the CAISO and the Affected System Interconnection Customer's host transmission provider of such failure to pay.

14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

The Affected System Interconnection Customer(s) will execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to the Participating TO, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If the Participating TO notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 14.5.2 of this RIS, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If the Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, the Participating TO will notify the deficient Affected System Interconnection Customer, the CAISO, and the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer will cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer will lose its Affected System Queue Position. If additional deficiencies are identified, the deficiency cure process will repeat until all deficiencies are cured.

14.5.6 Scope of Affected System Study

The Affected System Study will evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the CAISO Controlled Grid. The Affected System Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to the CAISO Controlled Grid; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection

Request to interconnect to the CAISO Controlled Grid; and (iv) have no queue position but have executed a GIA or requested that an unexecuted GIA be filed with FERC. The CAISO and Participating TO have no obligation to study impacts of Affected System Interconnection Customers of which they are not notified.

The Affected System Study will consist of a power flow, stability, and short circuit analysis to the extent those reliability study elements are deemed necessary by the CAISO and the Participating TO based on the proposed interconnection. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study will consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report will provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

14.5.7 Affected System Study Procedures

The CAISO and Participating TOs will use Clustering in conducting the Affected System Study and will use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. The Participating TO will complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s), the CAISO, and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) calendar days after the receipt of the Affected System Study Agreement and deposit. The maximum one hundred fifty (150) calendar day study timeline will begin once all Affected System Interconnection Customers' requests are deemed complete and valid, the study agreement(s) is executed and the increase to the study deposit based on a good faith estimate of study costs as outlined in the study agreement has been made by all parties.

At the request of Affected System Interconnection Customer, the Participating TO will notify Affected System Interconnection Customer as to the status of the Affected System Study. If the Participating TO is unable to complete the Affected System Study within the requisite time period, it will notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and will provide an estimated completion date with an explanation of the reasons why additional time is required. If the Participating TO does not meet the deadlines in this Section, the Participating TO will be subject to the financial penalties as described in Section 3.11 of this RIS. Upon request, the Participating TO will provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

The Participating TO must study an Affected System Interconnection Customer as Energy Only, regardless of the level of interconnection service that the Affected System Interconnection Customer is seeking from the host transmission provider with whom it

seeks to interconnect.

14.5.8 Meeting with the CAISO and Participating TO

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), the Participating TO, the CAISO, and the Affected System Interconnection Customer(s) will meet to discuss the results of the Affected System Study. This meeting may be waived by the Affected System Interconnection Customer with written notice to the Participating TO and the CAISO.

14.5.9 Affected System Cost Allocation

The Participating TO will allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 6.3.1 of this RIS.

14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

The Participating TO will tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 13 or 14 to this RIS, within thirty (30) calendar days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. The Participating TO will execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). The Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, will result in the loss of its Affected System Queue Position.

14.5.11 Restudy

If restudy of the Affected System Study is required, the Participating TO will notify Affected System Interconnection Customer(s) and the CAISO in writing within thirty (30) calendar days of discovery of the need for restudy. Such restudy will take no longer than sixty (60) calendar days from the date of notice. Any cost of restudy will be borne by the Affected System Interconnection Customer(s) being restudied.

Attachment B – Tariff Redlines

Interconnection Process Enhancements – Tariff Amendment

California Independent System Operator Corporation

November 23, 2026

25. Interconnection of Generating Units and Facilities

25.1 Applicability

This Section 25 applies to:

(a) each new Generating Unit that seeks to interconnect to the CAISO Controlled Grid;

(b) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;

(c) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.

(d) each existing Generating Unit connected to the CAISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2;

(e) each existing Generating Unit that is a Qualifying Facility and that is converting to a Participating Generator without repowering or reconfiguring the existing Generating Unit, subject to Section 25.1.2;

(f) each existing Generating Unit connected to the CAISO Controlled Grid that ~~proposes to~~ ceases operation, discontinues operation to the CAISO Controlled Grid, or proposes to retire or repower its Generating Unit pursuant to Section 25.1.2; and

(g) Generating Units interconnecting to the CAISO Controlled Grid over a Subscriber Participating TO transmission facilities using Subscriber Rights are required to apply for TP Deliverability under Section 25.1 once (1) the Subscriber Participating TO transmission facilities have completed their transmission interconnection studies with all interconnecting Transmission Owner(s), (2) Subscriber(s) have executed the Generator Interconnection Agreement, (3) the Subscriber Participating TO has committed to proceed with Construction Activities regarding the Subscriber Participating TO transmission facilities, and (4) the applicant provides a notice in writing to the applicable interconnecting Transmission Owners that it is proceeding with Construction Activities. Once these criteria have been completed, the Generating Unit must apply as follows:

(1) each Generating Unit possessing Subscriber Rights and receiving Deliverability from TPP-approved Network Upgrades shall apply for TP Deliverability allocation through the submission of a Subscriber Participating TO-specific deliverability allocation request and does not submit an Interconnection Request under Section 25;

(2) each Generating Unit that does not meet the criteria under Section 25.1(g)(1) shall be treated in accordance with Section 25.1(a).

25.1.1 Interconnection Request and Generating Unit Requirements

The owner of a Generating Unit described in Section 25.1 (a), (b), (c), or (g), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2 ~~Affidavit~~ Repower Requirements

If the owner of a Generating Unit described in Section 25.1(d), (e), or (f) or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit ~~an affidavit~~repower request to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the ~~affidavit~~repower request shall include supporting information describing any such changes and a $50,000 deposit for the study. The CAISO, in coordination with the applicable Participating TO, will evaluate whether the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will

substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO ~~(if any)~~ shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

25.1.2.1 If the CAISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However, the owner of the Generating Unit, or its designee, will be required to execute a CAISO Generator Interconnection Agreement, as applicable. All Generation Units described in Section 25.1(d), (e), and (f) will be required to comply with the CAISO's new resource implementation process to ensure compliance with applicable tariff provisions and Applicable Reliability Criteria, as specified in the Business Practice Manuals. All repower requests must comply with Commercial Viability Criteria requirements as outlined in the CAISO tariff, Appendix DD and KK, as applicable, where time will be calculated starting on the date the repower request is submitted.

25.1.2.2 If the CAISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Generating Unit, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2.3 Upon receipt of the ~~affidavit~~repower request form, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within thirty (30) days. Upon receipt of an executed study plan the CAISO will commence the study. The CAISO will complete the study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete the study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the study shall be borne by the Generating Unit owner requesting the study.

25.1.2.4 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the study. If the actual costs of the study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the study.

* * * * *

25.6 Non-Operating Facilities and Retirement

Participating Generators that do not comply with the requirements of this Section 25.6 will be considered in breach of their relevant agreements with the CAISO, and failure to cure will result in the generator being permanently derated or retired and losing TP Deliverability and Interconnection Service Capacity commensurate with their loss of output, no later than 36 months after such loss.

Participating Generators that intend to make their Generating Unit(s) unavailable must communicate their intent to the CAISO and Participating TO in writing according to the notice requirements further described in the applicable Business Practice Manuals. The period of unavailability may include Outages, mothball, retirement, withdrawal from the CAISO Markets or any other actions that results in the Participating Generator's not complying with Section 4.6.

A Participating Generator that intends to make their Generating Unit unavailable but is ineligible to submit a request for an Outage for a period of non-operation in accordance with Section 9, is required to submit

a retirement notice in accordance with CAISO Tariff Section 25 and Section 41.

A Participating Generator that is eligible to submit a request for Outage for the applicable period of non-operation in accordance with Section 9 and intends to remain on Outage for longer than twelve (12) months, either at the time of original Outage submission or through submission of later extensions, is required to submit a notice of retirement in accordance with Section 25 and Section 41.

Participating Generators that cease operation after the effective date of this Section 25.6 and select scenarios 1, 2, or 4 must, within twenty-four (24) months of ceasing operation, submit a repower request or a new Interconnection Request in the queue cluster application window. Within thirty-six (36) months of ceasing operation, those in scenarios 4 must terminate their period of unavailability, except when continued maintenance, equipment replacement, repair, or regulatory restrictions require a longer time of unavailability due to restrictions outside the control of the Participating Generator, and where the Participating Generator provides timely notice to the CAISO of such restrictions and the ISO agrees to agreement not to be unreasonably withheld.

Participating Generators on outage prior to the effective date of this section 25.6 will have one (1) year from the effective date of the new tariff language in which to submit a retirement affidavit and select a scenario. Such Participating Generators and also Participating Generators that provided a retirement affidavit prior to the effective date of this section 25.6 will be given the greater of 36 months from ceasing operations or 24 months from the effective date of the new tariff language to submit their repower study request or an interconnection request.

A Participating Generator is permitted to make the changes to selected status, subject to the limits described in the Sections below, between retirement scenarios. All changes must occur within twenty-four (24) months of the Generating Unit ceasing operation.

All Participating Generators submitting a notice of retirement in accordance with Sections 25 and 41 shall select one of the four retirement scenarios provided under Section 25.6. The CAISO shall assess if the Participating Generator is able to retain the Generating Unit's Deliverability Status and Interconnection Service Capacity based on eligibility under the four scenarios described below. The timeline for retention of Deliverability or Interconnection Service Capacity shall be calculated from the date when the Generating Facility ceased operation (and not when the notice of retirement was submitted). Participating Generators that complete submission requirements in the specified timeframes in this Section 25.6 and the applicable Business Practice Manuals retain their Interconnection Service Capacity and Deliverability.

25.6.1 Scenario 1: Repowering / Entered Queue

Participating Generators under scenario 1 have either (a) submitted a repower request pursuant to Section 25.1.2 of the CAISO Tariff or the appropriate Participating TO's tariff; or (b) will repower by entering the CAISO or Participating TO generator queue cluster application window to be studied pursuant to the RIS (Appendix KK). Participating Generators selecting scenario 1 may change to scenario 3 at any time, but may not change to scenarios 2 or 4.

25.6.2 Scenario 2: Undecided and Decommissioning Generating Unit

Participating Generators under scenario 2 will decommission and retire the Generating Unit and wish to retain the Generating Unit's Deliverability status and Interconnection Service Capacity, but has not yet (a) completed the assessment for the repowering process; or (b) entered into the CAISO or Participating TO generator interconnection queue after a determination that it is ineligible for the affidavit repowering process. If approved under scenario 2, a TP Deliverability assessment study will determine the amount of Deliverability to be retained. Participating Generators selecting scenario 2 may change to scenario 1 or 3 at any time, but may not change to scenarios 4.

25.6.3 Scenario 3: Permanent Retirement and Release of TP Deliverability

Participating Generators will be permanently retired when selecting or assigned to scenario 3. Generating Unit is not permitted to repower, will lose its TP Deliverability and Interconnection Service Capacity, and its existing interconnection agreement will be terminated. Generating Facilities that have expired or terminated Generator Interconnection Agreements by default will be subject to requirements of scenario 3. Participating Generators selecting or assigned to scenario 3 may not change to other scenarios.

25.6.4 Scenario 4: Mothball or Temporary Offline Status

Participating Generators under scenario 4 will be in mothball or on Outage for longer than twelve continuous months and expect to return to service. If on Outage, the Participating Generator must return to service. Participating Generators selecting scenario 4 may return to service or change to scenario 1 or 3 at any time, but may not change to scenario 2.

25.6.5 Changes to Capacity

In the event a Generating Facility repowers with a lower Interconnection Service Capacity than the Generating Facility's current Generator Interconnection Agreement capacity and does not submit a repower request or enter the queue cluster application window for the remaining capacity within the timeframe defined above, the Interconnection Service Capacity in the Generating Facility's Generator Interconnection Agreement will be reduced to the capacity of the approved repower.

Participating Generators that retire a portion of a Generating Facility under any scenario and request to continue to operate the remaining units at their Generating Facility must include the intent to operate a portion of their Generating Facility as part of their retirement request. In the event a Generating Facility added battery storage or other technology (e.g. via a modification request) and the original Generating Unit ceases operation and does not complete a repower or return to service within the applicable timeframes outlined above, the original Generating Unit will be considered permanently retired and the Generator Interconnection Agreement will be amended to reflect the technology, interconnection service capacity, and deliverability of the remaining Generating Unit(s) of the Generating Facility. The Participating Generator may be required, as determined by the ISO or Participating TO, to submit a new modification request to update the technical parameters and model of the Generating Facility.

Appendix DD

Generator Interconnection and Deliverability Allocation Procedures (GIDAP)

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6.7.2 Modifications

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6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the $30,000 deposit, by ~~November 30~~ 180 calendar days prior to the next restudy, to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request. A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

* * * * *

8.9 Allocation Process for TP Deliverability

After the Phase II Interconnection Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a market notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

Beginning with the TPD allocation and retention cycle that occurs in 2027, all requirements applicable to seeking an allocation of TPD and retaining a TPD allocation are subject to the tariff provisions and processes in Appendix KK.

* * * * *

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. Unless the Interconnection Customer provides the CAISO with an executed Energy Only power purchase agreement for the capacity losing Deliverability at the time it requests the Deliverability transfer, the assignor capacity must be removed from queue by withdrawal or downsizing the Generating Facility. The CAISO will not accept Energy Only power purchase agreements that require Deliverability or include a Resource Adequacy obligation. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this GIDAP, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

Any TP Deliverability that is allocated to an operational Energy Only project cannot be transferred to a project in the interconnection queue but can be transferred to another project in commercial operation in accordance with Section 8.9.9. Energy Only capacity within an operational project cannot receive a TP Deliverability allocation via a transfer from a queued (non-operational) project. A facility may also transfer deliverability within its own units at any time.

Transfers from Cluster 14 and earlier to Cluster 15 and later are permitted provided the transferring project will remain subject to the Appendix DD retention policies, whereby the receiving project must maintain the same requirements and obligations of the transferring project.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

* * * * *

6.7 Cluster Study Report Meeting

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on the CAISO Website, the CAISO will convene a Cluster Study Report Meeting.

6.7.1 [Not Used]

6.7.2 Modifications.

6.7.2.1 During the course of the Interconnection Studies, the Interconnection Customer, Participating TO, or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the CAISO, the Participating TO, and the Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO will modify the Point of Interconnection.

6.7.2.2 Prior to the end of the Customer Engagement Window, modifications permitted under this Section shall include specifically:

(a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;

(b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics;

(c) modifying the interconnection configuration;

(d) modifying the In-Service Date, Initial Synchronization Date, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld; and

(e) Permissible Technological Advancements consistent with Section 6.7.2.4.

For plant increases, the incremental increase in plant output will go in the next Cluster Application Window for the purposes of cost allocation and study analysis. For any modification other than these, the Interconnection Customer

must first request that the CAISO evaluate whether such modification is a Material Modification. The CAISO and Participating TO will study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Prior to the return of the executed Interconnection Facilities Study Agreement to the CAISO, the modifications permitted under this Section will include specifically:

(a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying the CAISO-approved injection-limiting equipment;

(b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and

(c) a Permissible Technological Advancement for the Generating Facility after the submission of the Interconnection Request. Section 6.7.2.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 6.7.2.2(c) is a Material Modification. Appendix A to the CAISO Tariff contains a definition of Permissible Technological Advancement.

If any Interconnection Customer requested modification after the Cluster Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

6.7.2.3 The Interconnection Customer shall provide the CAISO a $30,000 deposit for the modification assessment at the time the request is submitted. Except as provided

below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within sixty (60) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request, and payment of the $30,000 deposit. Any request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this RIS. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to one hundred twenty (120) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.4 Interconnection Customers may request Permissible Technological Advancements. Permissible Technological Advancements may include, for example, removing equipment; aligning the Commercial Operation Date with an executed power purchase agreement; adding less than 5 MW of energy storage once without increasing the net output at the Point of Interconnection; and other changes that have little or no potential to affect other Interconnection Customers or Affected Systems, require a new Interconnection Request, or otherwise require a re-study or evaluation. The CAISO will update its Business Practice Manual to list any additional Permissible Technological Advancement approved but not specifically enumerated here when identified. The Interconnection Customer's written request to evaluate technological advancements must include the technical data required to assess the request.

For all Permissible Technological Advancement requests not expressly enumerated in this Section or the Business Practice Manual, the CAISO and

Participating TO will determine whether such change would constitute a Material Modification. Such evaluation will include an analysis of the short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability, and impact on other Interconnection Customers. The CAISO will determine whether a Permissible Technological Advancement request is a Material Modification within thirty (30) calendar days of receipt of the request. Interconnection Customers requesting Permissible Technological Advancements must pay a non-refundable fee of $2,500.

6.7.2.5 Notwithstanding any other provisions in this RIS or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

(a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving its Commercial Operation Date;

(b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request; or

(c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the CAISO received its Interconnection Request.

The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as fuel-type modifications. Interconnection Customers may request such modifications pursuant to this RIS.

6.7.2.6 In addition to the options provided in this RIS, an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its Interconnection Facilities Study. This conversion will become effective through the reassessment process described in Section 7.4. However, once an Interconnection Customer seeks an allocation of Transmission Plan Deliverability for a project, that project becomes ineligible to convert to Energy Only. Interconnection Customers electing to convert to Energy Only after the completion of their Interconnection Facilities Studies will forgo eligibility for cash reimbursement for all Network Upgrades, but may receive Merchant Transmission CRRs pursuant to Section 36.11 of the CAISO Tariff. ~~Except (i) as provided in Section 8.9.3.2 (ii) due to not receiving the requested TP Deliverability allocation, or (iii) due to declining a TP Deliverability allocation,~~ Interconnection Customers that become Energy Only after their Interconnection Facilities Study may not reduce their cost responsibility for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section

7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the $30,000 deposit, by ~~May 30~~ 180 calendar days prior to the next restudy, to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of deposits or penalties will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

6.7.2.8 Additional Generation

The Interconnection Customer may request, and the CAISO and Participating TO will evaluate, the addition to the Interconnection Request of a Generating Unit with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Unit does not increase the requested Interconnection Service level. The CAISO and Participating TO must evaluate such modifications prior to deeming them a Material Modification, but only if the Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by the Interconnection Customer to the CAISO. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

6.7.3 [Not Used]

6.7.4 Commercial Viability Criteria

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility or Generating Unit with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;

b) Providing proof of having an executed power purchase agreement. Power

purchase agreements must have the Point of Interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;

c) Demonstrating Site Control for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Control Deposit does not satisfy this criterion;

d) Having an executed Generator Interconnection Agreement ("GIA"); and

e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with this RIS or the GIA, including without limitation the criteria in Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this RIS.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone withdrawing the Generating Facility for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers may exercise this provision only once. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not withdraw the portion of the Generating Facility that is in service and operating in the CAISO Markets. Instead, the portion of the Generating Facility that has not been developed will be withdrawn.

Where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO Markets, it will be Full Capacity Deliverability Status.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the CAISO will deem them withdrawn pursuant to Section 3.8. Interconnection Customers will not be subject to annual review requirements in any year the Participating TO unilaterally extends their Commercial Operation Date, but will resume compliance the following year.

* * * * *

8.9 Allocation Process for TP Deliverability

After the Interconnection Facilities Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Deliverable Option Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2, and Merchant Option Generating Facilities that did not require ADNUs in their Interconnection Studies. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a Market Notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

(a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:

(i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.

(ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.3.

(b) any Maximum Import Capability included as a planning objective in the Transmission Plan and a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA can use Maximum Import Capability made available by Participating Generators and System Resources if such allocation is made available in accordance with Section 40.4.6.2.1 (Step 13) of the CAISO Tariff; the available Maximum Import Capability made available by the Load Serving Entities that have access to Subscriber Rights until the Load Serving Entity(ies) cease using this Maximum Import Capability allocation or Delivery Network Upgrade(s) pursuant to Section 4.3A4.2(b) of the CAISO Tariff is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with Section 8.9.1(c) of this RIS;

(c) any other commitments having a basis in the Transmission Plan, including without limitation, long lead-time resources with corresponding transmission solutions, and any commitments established due to a Subscriber's exercise of its first option to acquire Deliverability made possible by Delivery Network Upgrades pursuant to Section 4.3A.4.2(a) of the CAISO Tariff, provided this first option has been exercised before the Subscriber is no longer eligible to apply for TP

Deliverability allocation under Section 8.9 of this RIS. Generating Units possessing Subscriber Rights seeking to receive TP Deliverability must submit a request and will be subject to Sections 8.9.2 and 8.9.3 of this RIS. For each Subscriber that submits a TP Deliverability request, the CAISO will provide the Subscriber with a Queue Position. The CAISO will reserve TP Deliverability for long lead-time resources specified in the Transmission Plan up to the lower of (a) the capacity of deliverable long lead-time resources in the approved Local Regulatory Authority portfolios submitted to the CAISO for the most recent Transmission Plan, or (b) the transmission capacity created by the Category 1 policy-driven transmission solutions and available on existing transmission for the long lead-time resources.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation ~~to the current queue cluster~~ in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

8.9.2 Second Component: Allocating Remaining TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request. Energy Only resources that are in commercial operation, regardless of cluster, can seek TP Deliverability in either group; however, priority will be given to Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects within each group. There is no limit to the number of times operational Energy Only resource can seek a TP Deliverability allocation.

~~(A~~PPA Group~~):~~ ~~To~~ Interconnection Customers' capacity with ~~that have~~ executed power purchase agreements, and to Interconnection Customers ~~in the current Queue Cluster~~ that are Load Serving Entities serving their own Load.

~~(B) To Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.~~

~~(C) To Interconnection Customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.~~

~~(D~~Conditional Group~~):~~ ~~To~~ Interconnection Customers' capacity ~~electing to be subject to Section 8.9.2.3.~~without a power purchase agreement.

A scoring process, as further defined in Section 8.9.2.1 herein and the applicable Business Practice Manual for Resource Interconnection Standards, will be utilized to rank requests seeking a TP Deliverability allocation within each group.

Interconnection Customer's queued projects with Full Capacity Deliverability Status and Partial Capacity Deliverability Status have up to four opportunities to seek an allocation of

TP Deliverability during four consecutive TP Deliverability allocation cycles. The first opportunity is limited to the PPA Group where Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects must demonstrate an eligible executed power purchase agreement during the TP Deliverability allocation cycle that commences before issuance of the draft Interconnection Facilities Study report. The Conditional Group will not be open to projects that have not yet received a draft Interconnection Facilities Study report.

All Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects in a given cluster may seek TP Deliverability in accordance with the allocation group requirements during the next three consecutive TP Deliverability allocation cycles immediately following the issuance of their cluster's draft Interconnection Facilities Study reports. Projects that have been unable to obtain an allocation of TP Deliverability after completing their four opportunities to seek an allocation shall be withdrawn without an opportunity to cure. Projects that receive a Conditional allocation during their final opportunity will have until the next TP Deliverability retention cycle to retain its Conditional allocation by demonstrating an eligible executed power purchase agreement. If it is unable to retain its allocation, the project shall be withdrawn without an opportunity to cure.

Projects that complete a technology addition through the modification process, whether prior to or after achieving Commercial Operation, will be Energy Only for that capacity addition and only be permitted to seek TP Deliverability after the added technology achieves Commercial Operation.

Energy Only capacity seeking TP Deliverability in either group may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity ~~expansions~~ additions effected through modification requests ~~and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation~~. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after Full Capacity Deliverability Status~~FCDS~~ and Partial Capacity Deliverability Status~~PCDS~~ Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Power purchase agreements associated with Energy Only projects must be with an LSE with a CAISO resource adequacy obligation, or the interconnection customer must be a LSE developing the capacity to meet its own CAISO Resource Adequacy obligation. Non-LSE power purchase agreements are not eligible for Energy Only project capacity under the PPA group or for retention requirements under the Conditional Group.

Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a non-refundable $5,000 fee for each Interconnection Request seeking TP Deliverability to fund a study to determine the eligibility of the Energy Only capacity to receive a TP Deliverability allocation. Energy Only projects may not have DNUs constructed if needed and the capacity will not be eligible for a TP Deliverability allocation if the study determines that the project is behind a deliverability constraint.

For ~~an Interconnection Customer~~ project capacity with a current designation of Full Capacity Deliverability Status or Partial Capacity Deliverability Status seeking to receive or retain a TP Deliverability allocation, including through demonstration of Commercial Viability Criteria in accordance with Section 6.7.4, the Interconnection Customer ~~to~~ must represent that it has~~, is negotiating, or is shortlisted for~~ a power purchase agreement for that capacity ~~under this RIS, the agreement must~~ that meets the following criteria:

(1) the agreement has a term of no less than five (5) years. Interconnection Customers with multiple, short-term agreements for the same capacity may meet this criterion where the combined terms are five (5) years or more; and

(2) the counterparty must:

(a) be a CAISO Load Serving Entity procuring the capacity to meet its own CAISO Resource Adequacy obligation; or

(b) demonstrate it has a contract to provide the capacity for at least one (1) year to a CAISO Load Serving Entity for a CAISO Resource Adequacy obligation.

Interconnection Customers may seek or retain a TP Deliverability allocation for Full Capacity Deliverability Status or Partial Capacity Deliverability Status projects, including through demonstration of Commercial Viability Criteria in accordance with Section 6.7.4, if they meet all tariff criteria except the counterparty criterion (2); however, within thirty (30) days of receiving or retaining a TP Deliverability allocation, they must ~~demonstrate they meet the counterparty criterion or~~ provide a deposit of $10,000 per MW of allocated TP Deliverability, but in no case less than $500,000. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The CAISO will refund the deposit when the Generating Facility begins Commercial Operation or meets the counterparty criterion, whichever is earlier. To the extent the Interconnection Customer withdraws, is deemed withdrawn, ~~converts to Energy Only,~~ or otherwise downsizes or eliminates the capacity allocated TP Deliverability, the deposit or commensurate portion thereof will be non-refundable, and the CAISO will process it and any accrued interest pursuant to Section 7.6.

For all TP Deliverability allocations received or retained based upon having~~, negotiating, or being shortlisted for~~ power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

8.9.2.1 Deliverability ~~Affidavits~~Requests

To determine TP Deliverability allocation ranked order, Interconnection Customers will be assigned a numerical score reflecting ~~the~~ its demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual.

(1) Permitting status. To receive a score greater than zero in this category ~~A~~an Interconnection Customer's Generating Facility must meet at least one of the following criteria:

a. The Interconnection Customer has received its final governmental permit

or authorization allowing the Generating Facility to commence construction.

b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.

c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.

d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.

(2) Project financing status. To receive a score greater than zero in this category, ~~A~~an Interconnection Customer's Generating Facility must meet ~~at least one of~~ the following criteria:

a. The Interconnection Customer has an executed ~~and regulator-approved~~ power purchase agreement where the off-taker is a CAISO LSE procuring the capacity to meet its own CAISO RA obligation, or the Interconnection Customer is a Load Serving Entity serving its own load.

~~b. The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.~~

~~c. The Interconnection Customer is on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity or procuring entity, or is currently negotiating a power purchase agreement.~~

~~d. The Interconnection Customer is a Load Serving Entity constructing its project to serve its own Load pursuant to a regulatory requirement.~~

(3) GIA Status. To receive a score of greater than zero in this category an Interconnection Customer's Generating Facility must meet at least one of the following criteria:~~Land acquisition~~

a. The Interconnection Customer has provided the payment and security to the Participating TO in accordance with Article 5.6.4 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.4 of Appendix LL (LGIA). ~~The Interconnection Customer demonstrates a present legal right to begin construction of the Generation Facility on one hundred percent (100%) of the real property footprint necessary for the entire Generating facility.~~

b. The Participating TO has received written authorization to proceed with construction from the Interconnection Customer in accordance with Article 5.6.3 of the LGIA (Appendix LL). Performance of these obligations under SGIA (Appendix MM) shall be as defined in Article 5.6.3 of Appendix LL (LGIA).~~The Interconnection Customer demonstrates Site Exclusivity.~~

c. The Interconnection Customer has provided to the Participating TO the required GIA Deposit.

In allocating TP Deliverability under this section, in a situation where the available TP Deliverability cannot accommodate ~~all of~~ the full amount requested by Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on the highest numerical score. In a situation where the available ~~amount of~~ TP Deliverability cannot accommodate all Interconnection Customer~~s~~ requests from non-operational capacity with equal scores, the CAISO will allocate the TP Deliverability to the ~~Interconnection Customers~~capacity with the lowest LDNU cost estimates. In a situation where the available amount of TP Deliverability cannot accommodate all requests from operational Energy Only projects with equal scores, the CAISO will allocate the TP Deliverability using Distribution Factors (DFAX), with the project with the lowest DFAX having the higher priority. ~~For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement.~~

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has~~, is negotiating, or is shortlisted for~~ a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability.

8.9.2.2 [Not Used]

8.9.2.3 [Not Used]~~TP Deliverability Group D~~

~~This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.~~

~~If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section. Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.~~

~~Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.~~

~~For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.~~

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

Conditional allocations under the Conditional Group must be retained in the following TP Deliverability allocation cycle with an eligible executed power purchase agreement. If not retained, projects can seek a new allocation pursuant to Section 8.9.2.

For non-operational projects, including those receiving allocations in the PPA Group, the ISO will require that all LSE or non-LSE off-takers verify that the PPA provided by the interconnection customer is active and meets the tariff requirements for a power purchase agreement. Then, approximately annually, as part of the TPD retention process, all LSE or non-LSE off-takers must confirm that the PPA is still active and continues to meet tariff requirements. If the power purchase agreement with a facility that is not in commercial operation is no longer active or does not meet the requirements, the project will lose its allocation and will be able to re-seek an allocation only if its cluster is eligible to do so. For projects whose cluster has completed all opportunities to seek an allocation, the project will be required to withdraw.

a. If a project seeks to retain an allocation received from the Conditional Group with a PPA for a portion of the allocated TPD, the project may retain the amount of capacity required by the PPA, become Partial Capacity Deliverability Status and will be eligible to continue to seek to increase its allocation for the remainder of the project from any group it is eligible for until its cluster is no longer eligible to seek an allocation. Once the cluster is no longer eligible to seek an allocation, any portion of the project which did not receive a TP Deliverability allocation will be required to downsize.

b. For projects consisting of more than one resource technology that seek an allocation or to retain an allocation with a power purchase agreement, the amounts of TP Deliverability requested or retained must align with the requirements of the PPA.

~~(1) Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement.~~

~~(2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.~~

~~Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only.~~ To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. ~~Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability allocation may not reduce their Maximum Cost Responsibility or Current Cost Responsibility for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection~~

~~Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.~~

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement ~~or Short List Status~~

Notwithstanding any provision of this RIS, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that ~~:~~

~~(a)~~ it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer, the project will lose the TP Deliverability allocation associated with that power purchase agreement and ~~; or~~

~~(b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.~~

t~~T~~he Interconnection Customer may ~~park its Interconnection Request, and~~ re-seek TP Deliverability with its Queue Cluster if eligible. ~~Alternatively~~However, if such an Interconnection Customer's Queue Cluster is no longer eligible to ~~park and has already completed the TP Deliverability~~seek an allocation the project ~~cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customers may elect to reduce its Commercial Readiness Deposit as a result.~~ will be withdrawn.

8.9.4 ~~Parking for Generating Facilities~~[Not Used]

~~For a Generating Facility in the current Interconnection Study Cycle that either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following options:~~

~~(1) Withdraw its Interconnection Request~~

~~(2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any Commercial Readiness Deposit will be adjusted to remove the obligation pertaining to LDNUs~~

~~(3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.~~

~~An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. Parked Interconnection Customers may not submit modification requests except for the following modifications:~~

~~(1) reducing the Interconnection Service Capacity;~~

~~(2) changing fuel type or technology;~~

~~(3) Permissible Technological Advancements; or~~

~~(4) changing the Point of Interconnection.~~

~~Parked Interconnection Customers must post their Commercial Readiness Deposit prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this RIS.~~

~~**8.9.4.1 Extended Parking for Generating Facilities**~~

~~A Generating Facility that parked its Interconnection Request and participated in a second allocation of TP Deliverability may remain parked for one final (third) allocation of TP Deliverability where: (a) the most recent TP Deliverability allocation shows that TP Deliverability will still be available to the Generating Facility; and (b) the Generating Facility has not been assigned Network Upgrades identified as needed by other Interconnection Customers in the Generating Facility's cluster study group or later cluster study groups. Criterion (b) will not apply where the Generating Facility has been assigned Network Upgrades identified as needed only by other Interconnection Customers in the Generating Facility's own cluster study group and all of those active Interconnection Customers also elect to remain parked.~~

8.9.5 Partial Allocations of Transmission ~~Based~~ Plan Deliverability to Generating Facilities

An Interconnection Customer is not obligated to accept a TP Deliverability allocation for an amount less than requested. If a TP Deliverability request ~~Generating Facility~~ is allocated TP Deliverability in the current ~~Interconnection Study~~ allocation ~~C~~cycle in an amount less than the amount of TP Deliverability requested, then the Interconnection Customer must choose one of the following options:

(i) Accept the allocated amount of TP Deliverability and continue to seek allocations in future allocation cycles for which it is eligible pursuant to Section 8.9.2. If the project is Partial Capacity Deliverability Status after exhausting all opportunities to seek an allocation, the project will be required to downsize to become Full Capacity Deliverability Status through a Material Modification request;

~~(i)~~(ii) Reject the allocated amount of TP Deliverability and continue to seek TP Deliverability allocations pursuant to Section 8.9.2;

(i~~i~~i) Accept the allocated amount of TP Deliverability and immediately reduce the MW ~~generating~~ capacity of the proposed Generating Facility through a Material Modification request such that the allocated amount of TP Deliverability will provide Full Capacity Deliverability Status to the modified Interconnection Request~~reduced generating capacity~~;

~~(ii) Accept the allocated amount of TP Deliverability and adjust the Deliverability status of the proposed Generating Facility to achieve Partial Capacity Deliverability corresponding to the allocated TP Deliverability;~~

~~(iii) For Generating Facilities, accept the allocated amount of TP Deliverability and seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle. In such instance, the Interconnection Customer shall execute a GIA for the entire Generating Facility having Partial Capacity Deliverability corresponding to the allocated amount of~~

~~TP Deliverability. Following the next cycle of TP Deliverability allocation, the GIA shall be amended as needed to adjust its Deliverability status to reflect any additional allocation of TP Deliverability. At this time the Interconnection Customer may also adopt options (i) or (ii) above based on the final amount of TP Deliverability allocated to the Generating Facility. There will be no further opportunity for this Generating Facility to participate in any subsequent cycle of TP Deliverability allocation; or~~

~~(iv) Decline the allocated amount of TP Deliverability and either withdraw the Interconnection Request or convert to Energy Only Deliverability Status. An Interconnection Customer having a Generating Facility that has not previously parked may decline the allocation of TP Deliverability and park until the next cycle of TP Deliverability allocation in the next Interconnection Study Cycle.~~

~~An Interconnection Customer that selects option (iii) or (iv) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.~~

Interconnection Customers eligible to seek additional ~~accepting a partial~~ allocations of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

8.9.6 ~~Declining TP Deliverability Allocation~~[Not Used]

~~An Interconnection Customer having a Generating Facility and allocated the entire amount of requested TP Deliverability may decline all or a portion of the TP Deliverability allocation and park the Generating Facility Request as described in Section 8.9.4(3). An Interconnection Customer that selects this option may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.~~

8.9.7 Interim Deliverability

If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete.

8.9.8 Updates to Interconnection Study Results

Upon completion of the allocation of TP Deliverability in accordance with Section 8.9.2, the CAISO will provide the allocation results to the Interconnection Customers for eligible Generating Facilities in the current Queue Cluster ~~and eligible parked Generating Facilities~~. Each of these Interconnection Customers will then have seven (7) days to inform the CAISO of its decisions in accordance with Sections 8.9.4, 8.9.5, and 8.9.6. Following the CAISO's receipt of this information from all affected Interconnection Customers, the CAISO will provide updates where needed to the Interconnection Study

reports for all Generating Facilities whose Network Upgrades have been affected.

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. Any allocated amounts of TP Deliverability received under the PPA Group are transferable to other projects at the same Point of Interconnection and voltage level, pursuant to Section 8.9.9. Any allocated amounts of TP Deliverability allocations received under the Conditional Group are not transferable.

An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. Unless the Interconnection Customer provides the CAISO with an executed Energy Only power purchase agreement for the capacity losing Deliverability at the time it requests the Deliverability transfer, the transferor capacity must be removed from queue by withdrawal or downsizing the Generating Facility. -The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this RIS, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter as a modification request also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Any TP Deliverability that is allocated to an operational Energy Only project cannot be transferred to a project in the interconnection queue but can be transferred to another project in commercial operation in accordance with Section 8.9.9. Energy Only capacity within an operational project cannot receive a TP Deliverability allocation via a transfer from a queued (non-operational) project.

TP Deliverability transfers are prohibited to non-operational earlier queued projects. Intra-cluster transfers will be permitted following the existing rights and obligations associated with such transfer.

Transfers from Cluster 14 and earlier to Cluster 15 and later are permitted provided the transferring project will remain subject to the Appendix DD retention policies, whereby the receiving project must maintain the same requirements and obligations of the transferring project.

Following a Deliverability transfer, the assignee inherits any requirements, restrictions, or obligations the assignor had as a result of receiving the Deliverability allocation or to retain the Deliverability, including without limitation requirements under Sections 6.7.4, 8.9.2.2, 8.9.2.3, and 8.9.3.

* * * * *

13.6 Shared Network Upgrades

Interconnection Studies and GIAs will identify when Network Upgrades are shared, and their estimated construction timelines. Once identified in the Interconnection Studies, or no later than when the first Interconnection Customer sharing the Assigned Network Upgrade executes its GIA with for the Assigned Network Upgrade, the CAISO and Participating TO will notify the other Interconnection Customers sharing the Assigned Network Upgrade when their provision of security under Article 11.5 of the GIA will be required based on the construction timeline required to meet the earliest In-Service Date of the Interconnection Customers sharing the Assigned Network Upgrade. All Interconnection Customers sharing the Assigned Network Upgrade must submit (a) their authorizations to proceed with design and procurement of the shared Network Upgrade and (b) their provision of security under Article 11.5 of the GIA for the shared Network Upgrade, by the same deadline. Interconnection Customers and Participating TOs may have separate posting and authorization deadlines for each shared Network Upgrade and other non-shared Network Upgrades, but Interconnection Customers sharing Assigned Network Upgrades must have the same deadlines for them. At all times, Interconnection Customers must have sufficient Commercial Readiness Deposit, GIA Deposit, and provision of security under Article 11.5 of the GIA to meet the requirements of this RIS and the GIA.

All Interconnection Customers sharing the Assigned Network Upgrade must execute an engineering and procurement agreement under Section 12 or a GIA prior to submitting their security for the shared Network Upgrade. Where any Interconnection Customer sharing the Assigned Network Upgrade has not executed either agreement, the Participating TO will tender ~~(1) a draft engineering and procurement agreement if the Interconnection Customer is parked, or (2)~~ a draft GIA or GIA amendment, to the Interconnection Customer no later than one-hundred twenty (120) days before the provision of security deadline. The Interconnection Customer must execute the engineering and procurement agreement or GIA or request that the GIA be filed unexecuted prior to the deadline to post. The failure by an Interconnection Customer to timely (a) execute an engineering and procurement agreement or GIA or request an unexecuted filing, (b) submit the authorization to proceed, or (c) submit the provision of security for the shared Assigned Network Upgrade, under this Section, will result in the Interconnection Request being deemed withdrawn and subject to Section 3.8. The Interconnection Customer will provide the CAISO and the Participating TO with written notice that it has posted the required security no later than the applicable final day for posting.

No later than thirty (30) days after each Interconnection Customer sharing the Assigned Network Upgrade complies with this Section, the Participating TO will commence Construction Activities on the shared Assigned Network Upgrade.

* * * * *

14.5 CAISO as an Affected System

The CAISO and Participating TOs whose system may be impacted by a proposed interconnection on another transmission provider's transmission system will cooperate with the transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to the CAISO Controlled Grid.

14.5.1 Applicability

This Section 14.5 outlines the duties of the CAISO and affected Participating TO when the CAISO receives notification that an Affected System Interconnection Customer's

proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid. The interconnection customer will be eligible for repayment of amounts advanced for Network Upgrades consistent with Section 14.3.2.1.

14.5.2 Response to Notifications

When the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid, the CAISO must respond in writing within twenty (20) Business Days whether the Participating TO intends to conduct an Affected System Study.

By fifteen (15) Business Days after the CAISO responds with its affirmative intent to conduct an Affected System Study, the Participating TO will share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study. The Affected System Interconnection Customer will then submit a study request, required technical data, and an initial $1,500 study deposit when submitting their project for study.

Within five (5) Business Days of receipt of notification of Cluster Restudy, the Participating TO will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that the Participating TO intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If the Participating TO decides to delay the Affected System Study, it is not required to meet its obligations under Section 14 of this RIS until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If the Participating TO decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 14.5 of this RIS.

14.5.3 Affected System Queue Position

The CAISO must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position will be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the CAISO's Interconnection Customers, this Affected System Queue Position will be ~~higher-queued than any Cluster that has not yet received its Cluster Study Report and will be~~ lower-queued than any earlier Cluster ~~that has already received its Cluster Study Report~~. Consistent with Section 14.5.7 of this RIS, the CAISO and Participating TO(s) will study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 14.5.7 of this RIS will be equally queued. A new Affected System Study may need to be delayed until an earlier Affected System cluster is completed if they are in the same study area. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades will be allocated among the Affected System Interconnection Customers in accordance with Section14.5.9 of this RIS.

14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, the Participating TO will provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 11 or Appendix 12 to this RIS, as applicable, within ten (10) Business Days of the Participating TO sharing the schedule for

the Affected System Study per Section 14.5.2 of this RIS.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) will compensate the Participating TO for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study will be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study will include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) will pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) calendar days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it will lose its Affected System Queue Position. The Participating TO will notify the CAISO and the Affected System Interconnection Customer's host transmission provider of such failure to pay.

14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

The Affected System Interconnection Customer(s) will execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to the Participating TO, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If the Participating TO notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 14.5.2 of this RIS, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If the Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, the Participating TO will notify the deficient Affected System Interconnection Customer, the CAISO, and the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer will cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer will lose its Affected System Queue Position. If additional deficiencies are identified, the deficiency cure process will repeat until all deficiencies are cured.

14.5.6 Scope of Affected System Study

The Affected System Study will evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the CAISO Controlled Grid. The Affected System Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades

associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to the CAISO Controlled Grid; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to the CAISO Controlled Grid; and (iv) have no queue position but have executed a GIA or requested that an unexecuted GIA be filed with FERC. The CAISO and Participating TO have no obligation to study impacts of Affected System Interconnection Customers of which they are not notified.

The Affected System Study will consist of a power flow, stability, and short circuit analysis to the extent those reliability study elements are deemed necessary by the CAISO and the Participating TO based on the proposed interconnection. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study will consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report will provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

14.5.7 Affected System Study Procedures

The CAISO and Participating TOs will use Clustering in conducting the Affected System Study and will use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. The Participating TO will complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s), the CAISO, and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) calendar days after the receipt of the Affected System Study Agreement and deposit. The maximum one hundred fifty (150) calendar day study timeline will begin once all Affected System Interconnection Customers' requests are deemed complete and valid, the study agreement(s) is executed and the increase to the study deposit based on a good faith estimate of study costs as outlined in the study agreement has been made by all parties.

At the request of Affected System Interconnection Customer, the Participating TO will notify Affected System Interconnection Customer as to the status of the Affected System Study. If the Participating TO is unable to complete the Affected System Study within the requisite time period, it will notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and will provide an estimated completion date with an explanation of the reasons why additional time is required. If the Participating TO does not meet the deadlines in this Section, the Participating TO will be subject to the financial penalties as described in Section 3.11 of this RIS. Upon request, the Participating TO will provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 15.1 of this

RIS.

The Participating TO must study an Affected System Interconnection Customer as Energy Only, regardless of the level of interconnection service that the Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

14.5.8 Meeting with the CAISO and Participating TO

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), the Participating TO, the CAISO, and the Affected System Interconnection Customer(s) will meet to discuss the results of the Affected System Study. This meeting may be waived by the Affected System Interconnection Customer with written notice to the Participating TO and the CAISO.

14.5.9 Affected System Cost Allocation

The Participating TO will allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 6.3.1 of this RIS.

14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

The Participating TO will tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 13 or 14 to this RIS, within thirty (30) calendar days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. The Participating TO will execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). The Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, will result in the loss of its Affected System Queue Position.

14.5.11 Restudy

If restudy of the Affected System Study is required, the Participating TO will notify Affected System Interconnection Customer(s) and the CAISO in writing within thirty (30) calendar days of discovery of the need for restudy. Such restudy will take no longer than sixty (60) calendar days from the date of notice. Any cost of restudy will be borne by the Affected System Interconnection Customer(s) being restudied.

Attachment C – Board Memo May 2023

Interconnection Process Enhancements – Tariff Amendment

California Independent System Operator Corporation

November 23, 2026

Memorandum

To: ISO Board of Governors

From: Neil Millar, Vice President of Infrastructure and Operations Planning

Date: May 10, 2023

Re: **Decision on interconnection process enhancements 2023 – track 1**

This memorandum requires ISO Board of Governors action.

EXECUTIVE SUMMARY

The interconnection process enhancement 2023 (IPE) is the California Independent System Operator Corporation's current stakeholder initiative in its ongoing commitment to improve its Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and make process enhancements as resource interconnection needs evolve.

In recent years, given California's ambitious decarbonization goals and the large quantities of new clean resources it will take to meet them, the ISO has been receiving hundreds of interconnection requests a year from potential resource developers, including 541 in the recent Cluster 15 window alone. Many of these requests are located in areas that are not a priority in the state's resource planning. With the ISO's interconnection application queue inundated with requests, current processes need to be re-imagined to ensure resource procurement and queuing are effectively shaped and informed to take advantage of transmission and interconnection capacity that exists or is already planned and under development. Finally, the interconnection and ultimately procurement processes need to align with the transmission plan that identifies upgrades necessary for longer-term resource development.

The 2023 IPE initiative is part of a larger set of foundational framework improvements being coordinated between the California Public Utilities Commission, the California Energy Commission, and the ISO. The overall strategic direction is set forth in a joint Memorandum of Understanding (MOU) signed by the three parties in December 2022 to tighten linkages between power and transmission planning, interconnection queuing and resource procurement so that California is better equipped to meet its reliability needs and clean-energy policy objectives required by Senate Bill 100. The ISO is now taking on additional reforms to the interconnection queuing process that will leverage the improved coordinated planning resulting from the MOU and help further break down barriers to efficient and timely resource development.

The 2023 IPE initiative is utilizing two tracks:

- Track 1 focuses on immediate adjustments to the Cluster 15 study schedule to allow for the completion of the previous Cluster 14 phase II studies and the completion of the Track 2 portion of the IPE.

- Track 2 will focus on targeted modifications to the interconnection process. The ISO expects the Track 2 modifications will be in place when the Cluster 15 studies resume, so that they can be applied to those studies.

Given the volume of Cluster 15 and the historically low withdrawal rate from Cluster 14, Management proposes to effectively pause existing Cluster 15 study processes and deadlines to allow for IPE Track 2 to consider replacement deadlines, and to finish Cluster 14 Phase II interconnection studies. Management also proposes minor extensions to the current Cluster 14 study deadlines to provide the CAISO's Participating Transmission Owners sufficient time to complete the Phase II studies.

Management recommends the following motion:

> ***Moved, that the ISO Board of Governors approves the proposed track 1 interconnection process enhancements, as described in the memorandum dated May 10, 2023; and***
>
> ***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.***

DISCUSSION AND ANALYSIS

The IPE track 1 enhancements are designed to put the GIDAP tariff changes in place to allow for the delay of Cluster 15, freeing up resources to complete studies of the large number of Cluster 14 projects now in the phase II study process, and to complete the GIDAP reforms being developed through the IPE track 2 process. Management seeks ISO Board of Governors approval of the following process schedule adjustments:

Track 1: Adjustments to the processing of Cluster 15 interconnection requests and Cluster 14 study timeline revisions

The primary focus of track 1 is on the immediate adjustments needed to the schedule for processing and studying Cluster 15 interconnection requests. The Cluster 15 schedule adjustments are needed to allow time for completing the Cluster 14 phase II studies before beginning the heavy workload of the Cluster 15 interconnection request validation, scoping meeting and study processes. This will also provide time for the

track 2 portion of this stakeholder initiative to develop and put in place the longer-term solutions that will be applied to Cluster 15. The ISO considers completing the Cluster 14 phase II studies a high priority because it will provide load-serving entities with a large pool of projects for procurement. The modified cluster study process developed in track 2 will need to be approved by the ISO Board of Governors and the Federal Energy Regulatory Commission, and the implementation procedures in place prior to studying Cluster 15 projects.

Summary of track 1 adjustments to the processing of Cluster 15 interconnection requests

1. Accept Cluster 15 interconnection requests during the normal April 3 – April 17 open window and perform the request completeness review to determine the requests that are accepted. The Cluster 15 window is now closed in accordance with the standard cluster window schedule. A total of 546 interconnection requests were received.

2. Postpone until May 1, 2024, commencement of the validation of Cluster 15 interconnection requests, the project scoping meetings and the cluster study processes.

   This effectively means the ISO will postpone commencement of the Cluster 15 interconnection request validation and scoping meetings until the Cluster 14 phase II studies and results meetings have been completed. Both the validation and the scoping meeting processes take significant time and resources of the ISO and Participating Transmission Owners, even for a typical-sized cluster. Once the Cluster 14 phase II studies and results meetings are complete, the Cluster 15 interconnection request validation and scoping meeting processes can begin.

3. Cluster 15 interconnection customers may withdraw interconnection requests any time prior to April 1, 2024, and receive a refund of their study or site exclusivity deposits, including interest earned, minus any costs expended.

4. Interconnection customers may modify their interconnection requests between May 1, 2024, and the September 26, 2024, validation due date. Interconnection customers may not increase the amount of interconnection service capacity they requested.

Summary of track 1 revisions to the Cluster 14 study timeline and Independent Study Process

1. Target January 31, 2024, for publishing the Cluster 14 phase II interconnection study reports.

   The current Cluster 14 supercluster scheduled date for publishing the phase II

interconnection studies is November 24, 2023. Out of the initial 373 interconnection request applications initially received in Cluster 14, which due to its size drove the need to conduct phase I interconnection studies over a two-year period, there are 205 projects being studied in the Cluster 14 phase II study process. In discussions with Participating Transmission Owners, the ISO determined that additional time is needed to complete the phase II studies and for the ISO to publish the study reports. The proposed revised due date for publishing the phase II interconnection studies is therefore January 31, 2024, for all Participating Transmission Owners.

2. The due date for interconnection customers to post their required second interconnection financial security has been postponed an equal number of days as that of the study report delay.

This allows interconnection customers the same length of time as the current tariff allows to make their financial postings.

3. The next transmission plan deliverability allocation cycle has been postponed to allow Cluster 14 to participate.

   This allows Cluster 14 projects to participate in the upcoming transmission plan deliverability allocation process, which can advance their ability to compete for a power purchase agreement.

4. The ISO will not accept Independent Study Process (ISP) interconnection requests until Cluster 15 has received its phase I study results.

Because the ISO tariff and GIDAP Business Practice Manual requires any new ISP projects to wait for the Cluster 15 study results to perform the electrical independence tests, this is a minor clarification. However, reaffirming that the ISO will not accept new independent study requests prevents a separate independent study "queue" from forming while the ISO studies Cluster 15, and prevents the ISO from holding unused study deposits for excessive periods.

POSITIONS OF THE PARTIES

The ISO initiated the IPE 2023 initiative with an issue paper and straw proposal on March 6, 2023. Through stakeholder input the topics addressed in track 1 were reduced to those discussed above. The track 1 final proposal was published on April 13, 2023, with stakeholder comments due April 24, 2023, followed by a stakeholder meeting on May 1, 2023.

The vast majority of stakeholders support this proposal. Most stated that while the delay to Cluster 15 is not ideal, adjusting the schedule to Cluster 15 in order to prioritize Cluster 14 Phase II studies is appropriate given the record number of requests moving

from phase I to phase II studies.

Some commenters were concerned with the ISO not accepting new independent study requests until after the Cluster 15 interconnection customers receive their phase I study results. However, the tariff already requires that those requests would have to wait until the completion of the Cluster 15 phase 1 studies to proceed. Furthermore, it is possible that the independent study process could be significantly changed in the track 2 discussions.

CONCLUSION

Management recommends that the ISO Board of Governors approve the modifications proposed in this memorandum. Overall, the modifications have received broad support, and Management believes the modifications are appropriate for addressing the issues presented in this memorandum. The proposed modifications ensure that the track 2 stakeholder process can proceed in developing the changes needed to the processing and study of interconnection requests and allow for the timely completion of the Cluster 14 phase II studies. Giving priority to Cluster 14 will advance 205 projects towards meeting the large amount of new generation mandated to meet clean energy goals and ensure the future reliability of the system. Finally, the proposed modifications will facilitate the ISO's initiative to improve the generator interconnection procedures' ability to manage large numbers of projects coming into the queue and help California and the West obtain the robust capacity levels needed to meet their public policy goals.

Attachment D – Board Memo April 2026

Interconnection Process Enhancements – Tariff Amendment

California Independent System Operator Corporation

November 23, 2026

California ISO

Memorandum

To: ISO Board of Governors

From: Neil Millar, Vice President, Transmission Planning and Infrastructure Development

Date: April 22, 2025

Re: **Decision on interconnection process enhancements 5.0 initiative**

This memorandum requires ISO Board of Governors action.

EXECUTIVE SUMMARY

Management requests the ISO Board of Governors' approval of changes developed in the fifth iteration of the interconnection process enhancements (IPE 5.0) initiative.

The ISO made significant reforms to the interconnection intake process, deliverability allocations, and queue management in the 2023 IPE initiative. During that initiative, in both track 2 and track 3, the ISO committed to monitoring and potentially revisiting certain policy items based on implementation during queue cluster 15. The IPE 5.0 revised final proposal reflects the lessons learned from previous reforms and responds to stakeholder feedback. The ISO proposes the following:

1. Modifications to the interconnection request intake process:
    a. Remove the requirement that projects meet a non-load-serving entity's (LSE's) "corporate sustainability" policy to earn commercial interest points in the intake scoring process;
    b. Adjust the generator size cap on the "full allocation election" in scoring to enable more meaningful participation by LSEs of all sizes;
    c. Bring distribution system interconnection requests into the same scoring process and limitations as transmission-level projects;
2. A modification to the deliverability allocation process to allow operational energy only projects to seek deliverability.
3. Stronger focus on project readiness by applying clear commercial viability criteria to all projects and capacity in the queue, including energy only projects, when they seek extensions to remain in queue beyond seven years from their request.

4. Efficiency improvements:

    a. Simplify the "ISO as an affected system process"

    b. Modify the commercial readiness deposit due date

    c. Discontinue the pre-application process to reduce delays, and

    d. Allow an alternate individual to serve on the Executive Review Dispute Resolution Committee.

The proposal demonstrates the ISO's pioneering commitment to aligning resource and transmission planning activities, interconnection processes, and resource procurement, and, in so doing, supports the strategic direction established by the December 2022 Memorandum of Understanding among the ISO, California Public Utilities Commission, and California Energy Commission.[1]

Management recommends the following motion.

> ***Moved, that the ISO Board of Governors approves the proposed interconnection process enhancements 5.0 initiative, as described in the memorandum dated April 22, 2026; and***
>
> ***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.***

DISCUSSION AND ANALYSIS

The IPE 5.0 initiative builds on the 2023 IPE effort by updating elements of the interconnection request intake, deliverability allocation, and queue management processes to create efficiencies and adapt to current interconnection dynamics.

Modifications to the interconnection request intake process

- **Remove the requirement that non-LSE affidavits attest to corporate goals on sustainability:** Cluster 15 scoring showed that projects with non-LSE points were competitive. As a result, the only proposed change is to remove the requirement for non-LSEs to attest to a project meeting corporate sustainability goals.

- **Revise the methodology for determining the load-serving entity cap on the "full allocation election" to provide load-serving entities sufficient capacity for a single project of interest.** In the intake process, LSEs can spread their

[1] https://www.caiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf

points across multiple projects or give a single project their "full allocation." The full allocation is currently capped at 150% of the LSE's points, which are based on its available deliverability. The ISO proposes revising this cap to the lesser of 50% of the load-serving entity's forecast resource adequacy load or 500 megawatts (MW). This proposed cap should be sufficient to allow smaller LSEs the ability to select projects of sufficient size to meet their future needs. The 500 MW criteria ensures that larger LSEs are not able to use their larger load shares to select large projects that could dominate the scoring and ranking process.

- **Include distribution system interconnection projects in the cluster intake scoring process and 150% study limit:** While distribution-level interconnection requests seeking to provide wholesale energy are governed by participating transmission owners' tariffs, the ISO performs the studies and allocates deliverability to allow such projects to participate in the resource adequacy process in the same manner as transmission-connected projects. Under this proposal, eligible distributed projects seeking to participate in ISO markets with deliverability will be included in the cluster scoring and ranking process, competing with other projects based on the project's score ranking. This ensures a level playing field for deliverability.

Modification to the deliverability allocation process

In track 3 of IPE 2023, stakeholders asked the ISO to explore whether operational energy only projects should be allowed to seek (or re-seek) deliverability. In response, the IPE 5.0 proposal creates a new pathway for operational energy only projects to come online and later seek deliverability. Any energy only projects that are in commercial operation, regardless of cluster, can seek deliverability in either the "Power Purchase Agreement (PPA) allocation group" or the "conditional allocation group," as applicable. The ISO also proposes to remove the existing "commercial operation allocation group" to avoid distinguishing among online and new projects, enabling them to compete for LSE interest and deliverability under the same criteria. Once an energy only project reaches commercial operation, it may seek deliverability in the same deliverability allocation process as queued projects. PPAs with non-LSEs will not be eligible for online energy only projects to receive deliverability. In addition, because energy only projects are not eligible to have a deliverability network upgrade constructed if needed, a project will not receive deliverability if it is behind a deliverability constraint. Doing otherwise would tie up deliverability allocations for years and create significant hurdles for greenfield projects to trigger delivery network upgrades.

Application of commercial viability criteria to all projects and capacity in the queue

Commercial viability criteria ensure that interconnection projects continue to make progress if they stay in the queue beyond the seven years allowed under the tariff. To remain in queue beyond this time, projects must demonstrate they have a PPA and are progressing toward construction. Currently, these criteria only apply to deliverable projects. If they fail to meet these criteria, they are converted to energy only status. This has led to a growing number of energy-only projects in the ISO queue, without any

obligation to withdraw. The ISO proposes that all projects, energy-only and deliverable, will be subject to the commercial viability criteria, and that failure to meet them will result in withdrawal from queue.

Additionally, the ISO proposes to clarify:

- The interconnection customer's PPA must match the interconnection request in terms of deliverability status, technology, capacity (MW), point of interconnection, voltage level, and transacting legal entity (seller of PPA).

- If an interconnection customer meets all commercial viability criteria except provision of an executed PPA, the ISO will maintain the one-year safe harbor to submit the PPA. During this period, the project's withdrawal will be deferred for one year from the day of the modification request, or until eight years after the original interconnection request, whichever is later. Each project may use this safe harbor provision only once.

The ISO notes that an interconnection customer will not be required to demonstrate commercial viability criteria when a commercial operation date extension is imposed by the participating transmission owner or the ISO. Additionally, in the event that a participating transmission owner or ISO extension is applicable after the project demonstrates commercial viability criteria, the project will be exempt from the next annual commercial viability criteria demonstration following issuance of the extension notice.

Process efficiencies

- **Streamline the "ISO as an affected system" process:** The ISO is identified as an affected system when a neighboring Balancing Authority Area studies a generation project that might impact the ISO system. In these cases, the potentially affected ISO participating transmission owner studies the project for reliability impacts and identifies any necessary network upgrades. To address affected system challenges in the East, FERC expanded the affected system process in Order No. 2023, and the ISO complied. Recently, the ISO and participating transmission owners have observed minor procedural enhancements to this process, described below:

    1. Require technical data and an initial $1,500 study deposit from the affected system interconnection customer once they are notified that their project requires an affected system study.

    2. Clarify that the deficiency cure process will repeat until all deficiencies are cured.

    3. The start of the maximum 150 calendar day study timeline will begin once all affected system interconnection customers' requests are deemed complete and valid, the study agreement is executed and the increase to the study deposit as outlined in the study agreement has been made by all parties.

4. Allow the ISO and affected participating transmission owners to study the affected system interconnection customer(s) in coordination with the cluster study process.

5. Clarify that the affected system study will only include those reliability study elements deemed necessary by the ISO and participating transmission owner based on the proposed interconnection.

6. Allow affected system interconnection customers to waive the results meeting.

These minor modifications will improve processes for developers and affected systems while preserving quick turnaround for affected system studies.

- **Modify the commercial readiness due date:** Rather than requiring commercial readiness deposits for every interconnection request, the ISO proposes to require them from projects that have successfully completed the scoring and ranking steps and are proceeding to interconnection request validation.

- **Discontinue the pre-application process:** Currently, developers of projects under 20 MW may request a "pre-application report, which requires the participating transmission owner to compile information well before the actual interconnection request materializes. Much of this data is available in public base cases, but pre-application reports quickly become outdated, and the information can be misleading to interconnection customers. Because the ISO now provides interconnection data prior to the interconnection request application window, the ISO proposes to remove the pre-application report option.

- **Modification to the composition of the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) Executive Dispute Resolution Committee:** Projects withdrawn from the queue have the option to appeal their withdrawal to the "GIDAP Executive Dispute Resolution Committee," which is currently comprised of the Vice President responsible for administration of interconnection, the Vice President responsible for customer affairs, and an additional Vice President. The Committee has five business days to uphold the withdrawal or restore the interconnection request. The rapid timeline coupled with the strict definition of the committee can be challenging for the ISO to administer when one of the named Vice Presidents is unavailable. Thus, the ISO proposes to enable the named Vice Presidents on the Committee to appoint another ISO Vice President as a Delegate if the named Vice Presidents are unavailable in order to minimize the risk of non-compliance with the five-business day requirement and to ensure swift resolution of any disputes.

Consideration of additional enhancements

The ISO will continue to monitor the efficiency and efficacy of the reformed interconnection process throughout the cluster 16 cycle and will consider additional changes to the interconnection process in a future stakeholder initiative.

POSITIONS OF THE PARTIES

The ISO posted a final proposal on December 22, 2025, which received general stakeholder support and some requests for clarification, particularly on the section allowing energy-only projects to seek deliverability and the broadened application of commercial viability criteria. In response to these requests for comments, the ISO posted a revised final proposal on February 25, 2026. The IPE 5.0 revised final proposal also received broad stakeholder support, with some stakeholders asking the ISO to enable additional flexibility in future IPE initiatives.

A vast majority of stakeholders supported the modifications to the interconnection request intake process, recognizing the rationale for these changes. While stakeholders were generally supportive of the modifications to the cap on the full allocation election, two larger load-serving entities expressed concerns that the 500 MW limit to projects may be arbitrary and overly restrictive. The ISO notes that the 500 MW limit is based on the 95th percentile of the interconnection service capacity of all projects shown in the current queue report that have reached commercial operation. Further, this limitation only applies in instances when an LSE wants to dedicate its entire commercial interest allocation to one project. Large LSEs with higher point allocations are otherwise not prevented from allocating commercial interest points to a project larger than 500 MW and can allocate points to multiple projects summing well beyond 500 MW.

Stakeholders were broadly supportive of incorporating distribution-level projects into the interconnection request intake and study process.

All stakeholders supported the ISO's responsiveness and willingness to allow operational energy-only projects to seek deliverability, viewing this modification as an elegant solution and a step in the right direction. However, a few stakeholders asked the ISO to commit to exploring additional enhancements to make more energy only projects fully deliverable by allowing them into the deliverability study process, so they have the option to fund network upgrades. The ISO has discussed these requests with stakeholders and will consider additional opportunities for energy only projects to seek deliverability in future initiatives. Two stakeholders objected to the ISO's proposal to limit transfers of deliverability from one project to an operational energy only project. The ISO has been firm that such limitations on transfers of deliverability are intended to prevent other projects from acquiring deliverability for the purpose of transferring it to projects that otherwise would not have received an allocation, which would deprive ratepayers of the benefit of the transmission capacity.

Stakeholders were generally supportive of the broader application of commercial viability criteria. One stakeholder, however, opposed the one-time limit for the PPA exception, asking that the ISO clarify that it would only apply going forward, i.e., that projects that have exercised this option in the past would be allowed to do so one more time, if they must request a commercial operation date extension again. The ISO notes that a second use of the one-year PPA exception should not be necessary, as projects that meet commercial viability criteria are then subject to demonstration that they have an active PPA on an annual basis. No projects have utilized a second use of the one-

year exception to date. The ISO is expressly clarifying policy that the exception may not be used a second time.

Nearly all stakeholders expressed comfort with or support for the efficiency enhancements to ISO interconnection processes. One stakeholder expressed opposition to the removal of the pre-application process unless the ISO provides additional information on substation access and physical feasibility data. The ISO is continuously considering how to improve data available to stakeholders in advance of the interconnection application window.

A comprehensive summary of stakeholder comments and ISO responses is included in Attachment A.

CONCLUSION

Management recommends approval of the IPE 5.0 reforms. These reforms are designed to clarify and simplify elements of the interconnection request intake process, improve access to deliverability, expand queue management practices, and promote efficiency in the ISO's interconnection processes.

Attachment E – Board Memo July 2026

Interconnection Process Enhancements – Tariff Amendment

California Independent System Operator Corporation

November 23, 2026

Memorandum

To: ISO Board of Governors

From: Neil Millar, Vice President, Transmission Planning and Infrastructure Development

Date: July 8, 2026

Re: **Decision on interconnection service capacity and deliverability retention for non-operating generating facilities**

This memorandum requires ISO Board of Governors action.

EXECUTIVE SUMMARY

Management requests the ISO Board of Governors' approval to add tariff language requiring owners of existing generating facilities that are, or will be, offline for a year or more, to take certain actions to return to service within a reasonable amount of time in order to retain deliverability and interconnection service capacity. The policy changes and tariff language are necessary to ensure efficient use of both interconnection service capacity and deliverability. Releasing unused capacity will also result in more accurate transmission study results, which could lower overall costs for projects in the interconnection study process.

> ***Moved, that the ISO Board of Governors approves the interconnection service capacity and deliverability retention for non-operating generating facilities proposed changes, as described in the memorandum dated July 8, 2026; and***
>
> ***Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.***

DISCUSSION AND ANALYSIS

Previously, language existed in the Reliability Requirement Business Practice Manual stating that generators that did not generate for three years would lose their deliverability and interconnection service capacity. In 2025, FERC found the language

was not supported by the ISO tariff, leading the ISO to remove the language from the business practice manual. As a result, the ISO currently lacks a mechanism to require such generators to timely return to service, effectively tying up unused transmission capacity and deliverability needed for other generators.

Offline resources continue to be modeled in interconnection service capacity and deliverability studies. However, holding deliverability for non-operating resources leads to inaccurate study results, including the identification of potentially unnecessary network upgrades. This, in turn, increases costs for interconnection customers and ultimately load. This policy will ensure that offline generators that intend to return to service do so within a reasonable amount of time or permanently retire, and thus release capacity and deliverability which can then be used by other generators.

POSITIONS OF THE PARTIES

The policy went through the standard ISO stakeholder process. The proposal received two stakeholder comments in support of the policy change and no comments opposing the policy change.

CONCLUSION

Management recommends approval of the proposal to add tariff language supporting a time limit and other requirements for the retention of interconnection service capacity and deliverability for offline generators.