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Jan Schori, Chair of the Board of Governors
California Independent System Operator
Folsom, CA 95630

Dear CAISO Board of Governors:

Pacific Gas and Electric Company (PG&E) respectfully submits this letter regarding the California Independent System Operator (CAISO) management's Interconnection Process Enhancements (IPE) proposal, which will be considered for approval at the June 12, 2024, meeting. PG&E commends the tremendous efforts of CAISO staff for undertaking a robust stakeholder process that has spanned approximately a year and considered a wide range of perspectives from participating transmission owners, independent resource developers, load-serving entities, clean energy non-profit groups, and other entities. PG&E supports the final proposal, which considers a variety of stakeholder views, and moves forward a package of reforms that strike a reasonable balance of perspectives.

The status quo – an unprecedented volume of interconnection requests and megawatts studied in Cluster 14 – is not sustainable, and there is urgency to act now and reform the existing CAISO interconnection processes. For context, CAISO received 359 new interconnection requests totaling more than 105,000 megawatts in Cluster 14,¹ which represents more than twice CAISO's historical peak load of approximately 52,000 megawatts. The CAISO must have an interconnection process that works for moving projects through study to commercial operation to meet the state's clean energy goals.

PG&E is aware that some stakeholders have concerns about the commercial interest component of the scoring criteria as they view it will be the main determinant of which projects will proceed to the cluster study. PG&E sees value in the LSE commercial interest component as the process will help screen the most commercially viable projects to proceed to the study phase, which will help the overall system with resources coming online in an efficient manner.

PG&E agrees with comments made in the May 16, 2024, letter from the Northern California Power Agency (NCPA) to the CAISO Board of Governors that the final proposal appropriately limits the impact of the load-serving entity (LSE) commercial interest component. PG&E re-emphasizes the following aspects:

¹ [CAISO's Issue Paper and Straw Proposal - Interconnection Process Enhancements 2023, March 9, 2023](#)

- The final proposal would provide 50 percent of the available megawatt capacity identified for a cluster study as eligible to receive LSE interest points, while the CAISO is proposing to study up to 150 percent of available capacity for each zone.
- The final proposal also limits, based on historical trends, an LSE's ability to assign points to utility- or LSE-owned projects (3 projects or up to 25%) while providing a pathway for such projects that make good economic sense for customers to have the ability to receive LSE interest points.

PG&E thanks CAISO staff for all their efforts and supports adoption of the final proposal, with addendums, at the next CAISO Board of Governors meeting.

Sincerely,

/s/ Martin Wyspianski

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