



California ISO


# 2021 Interconnection Process Enhancements (IPE) Phase 2 – Final Proposal

Stakeholder Meeting  
September 20, 2022

# Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- Meeting is structured to stimulate dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.

## Instructions for raising your hand to ask a question

- If you are connected to audio through your computer or used the “call me” option, select the raise hand icon  located on the top right above the chat window. **Note:** #2 only works if you dialed into the meeting.
  - Please remember to state your name and affiliation before making your comment.
- If you need technical assistance during the meeting, please send a chat to the event producer.
- You may also send your question via chat to either Brenda Corona or to all panelists.

## IPE Phase 2 topics

- TPD allocation requirement for Power Purchase Agreement terms and allocations to non-LSEs
- Cost allocation treatment for network upgrades (NUs) to local (< 200 kV) systems
- NU reimbursement policy when ISO is an affected system
- Providing more publicly available queue data
- Transparency over early GIA termination procedures

### Removed from IPE phase 2

- Increased study deposit amounts, withdrawal penalties

# Transmission Plan Deliverability allocation process: item 1 – the minimum required term for an eligible PPA

## Proposal unchanged

- PPAs must have a minimum term of 5 years to be eligible for an allocation
- Begins with the 2023-2024 TPD allocation cycle
- Applies to allocation groups A and B, including the retention requirements for group B, and the retention requirements for group D
- PPA requirements for the retention of an allocation received prior to the 2023-2024 TPD allocation cycle, for projects requesting a COD extension and projects required to demonstrate Commercial Viability will be the same requirements that were in place when a project received its allocation of TPD
- Summary of comments
  - Five stakeholders only support a 1-year minimum term, two support a 3-year minimum term (all generation developers)
  - Seven support the 5-year minimum term (LSEs and developers)
    - CalCCA, CPUC-PAO, CalWEA, Middle River Power, Six Cities, SCE, Vistra (SDG&E supported 5 years in previous paper)

# Transmission Plan Deliverability allocation process: item 2 – requirements for allocations to Interconnection Customers with PPAs with non-LSEs

## Proposal unchanged

- Non-LSE PPAs are eligible for an allocation
  - PPAs must have a minimum term of 5 years to be eligible for an allocation
  - Non-LSE procurement entity must demonstrate a contract selling the RA capacity to an LSE with a RA obligation for a minimum term of 1-year
    - If the non-LSE procurement entity cannot demonstrate such a contract it must provide a deposit in-lieu of a contract
    - Deposit amount is \$10,000 per MW of allocated TPD, with a minimum deposit of \$500,000, no maximum
- All commenters supported
  - Three developers requested justification or reduction of the deposit amount
    - The deposit amount was designed to create a sufficient incentive for the non-LSE to perform on the requirement to enter into an agreement with an LSE with an RA obligation as quickly as possible and to incent against large amounts of TPD being tied up in projects that seek to “buy” TPD capacity

# Cost allocation treatment for network upgrades (NUs) to local (<200 kV) systems

To protect local ratepayers from rate shock for interconnection-related NUs

## Proposal unchanged

- Costs for low voltage network upgrades greater than 15% of each PTO's local TRR will be financed by ICs without cash reimbursement
  - Applies to all PTOs equally
- ISO to maintain data on the ISO website
  - status of each PTO's share of interconnection-related low-voltage costs; and
  - ISO projection of PTO's near-term cost percentage based on active projects that have executed GIAs
- Allow ICs to withdraw under certain circumstances
  - Where the PTO would have reimbursed the costs of a low-voltage upgrade, but that changes for the customer while in queue (due to the PTO going over the 15% threshold, regardless of whether this was projected)

# Policy for ISO as an Affected System – how the base case is determined and reimbursement policy for network upgrades

## Proposal unchanged

- Proposed study base case assumptions received no stakeholder opposition
- Proposed use of existing policy to reimburse network upgrade costs received strong support
  - Consistently applies ISO policy for reliability network upgrades
  - Network upgrades benefit local ratepayers regardless of cause
  - Consistent with Order No. 2003 and FERC's recent ANOPR on transmission planning and interconnections
  - Ensures network upgrades are right-sized to mitigate specific impacts
  - Non-reimbursement by neighboring BAAs is consistent with their own policies
  - PG&E is the only stakeholder to voice disagreement with this proposal



## Providing more publicly available queue data

- Stakeholders have asked for a significant amount of data to be available to the public to be able to make better decisions on projects entering the cluster process
- ISO has agreed to make the following available:
  - PTO study area and subarea by cluster
  - TPD allocation, group and percentage allocation or MW amount for the project, with this information stakeholder will know if a project has a PPA or not
  - Resource ID(s) by queue number
  - Status of suspension and parking (yes/no)
  - Phase data: Gen and fuel type, MW, hybrid or co-located, synchronization date and COMX or COD date

# Transparency over early GIA termination procedures

## Proposal unchanged

- Energy-Only projects should not be allowed to stay in the queue forever and the ISO would be more assertive in implementing BPM for Generator Management, Section 6.5.2.1
  - Requiring projects to demonstrate issues with engineering, permitting or construction
- Interconnection Customers should be reporting the status of their projects and if the customer does not respond, then the ISO can invoke the default clause in the GIA, Section 17 in the LGIA and Article 7.6 of the SGIA
  - The ISO will only use these sections where appropriate, taking into account project specific issues and circumstances

# NEXT STEPS

# Schedule Overview

<b>IPE Phase 2</b>	
<b>Date</b>	<b>Event</b>
09/13/22	Publish final proposal
09/20/22	Stakeholder conference call on final proposal
10/04/22	Stakeholder comments due on final proposal
October 26-27, 2022	Board of Governors Meeting

## Next Steps

- Please submit comments on the final proposal and meeting discussion using the commenting tool linked on the initiative webpage
  - Comments are due by end of day Oct 4, 2022
- Visit initiative webpage for more information:  
<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2021>
- If you have any questions, please contact [isostakeholderaffairs@caiso.com](mailto:isostakeholderaffairs@caiso.com)



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