

# California Community Choice Association

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## Contact

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### **1. Provide a summary of your organization's comments on the Interconnection Process Enhancements (IPE) 2021 – Phase 2 revised straw proposal:**

CalCCA generally supports the California Independent System Operator Corporation's (CAISO's) Interconnection Process Enhancements (IPE) Phase 2 Revised Straw Proposal. This initiative comes at a critical point when load-serving entities (LSEs) are expanding procurement activities at a rapid pace to meet procurement orders and state clean energy policies. As a result, the CAISO interconnection queue is experiencing an unprecedented number of study requests. Proposals that can reduce interconnection queue backlog and prioritize the most viable projects when allocating deliverability will enhance the ability of LSEs to conduct procurement of new resources and the CAISO to conduct studies on new projects in a timely and orderly manner. Such proposals must balance (1) the need to get the most viable projects through the queue in a timely and orderly manner that can support grid reliability and state policy goals, and (2) the ability for all prospective projects to be able to compete for power-purchase agreements (PPAs) with LSEs.

Planning Resource Adequacy (RA) procurement in the context of deliverability creates a "chicken and egg" problem. Today, the interconnection queue holds 10 to 15 times more megawatts (MW) than what is needed to meet procurement orders.<sup>[1]</sup> LSEs face challenges narrowing down the number of projects available to contract because not all the projects in the queue will obtain the deliverability status needed to provide RA. At the same time, the CAISO faces challenges when narrowing down which projects to study for and allocate deliverability to using the limited time and staff resources available. Two solutions are available. The CAISO can assign deliverability to projects, signaling to LSEs to sign PPAs with those projects. Alternatively, developers can contract with LSEs first, then the CAISO can assign deliverability to those projects with PPAs. The CAISO's proposal aims at advancing the second approach.

The CAISO's proposal to prioritize projects with PPAs that sell RA attributes for a minimum term will help ensure deliverability is allocated to the projects most likely to reach commercial operation and provide reliability to California. In these comments, CalCCA supports the requirement for PPAs to have a minimum term and asks additional clarifying questions to ensure projects can be reallocated in the event a project with a PPA fails such that LSEs can meet their procurement orders with deliverable projects.

In summary, CalCCA:

- Does not object to the data items in section 3.3 being made public so long as counterparties to PPAs are not identified publicly;
- Supports a minimum PPA term with a contract for RA capacity of 10 years to be put in the highest priority allocation group;
- Supports requiring entities without an RA obligation to have a contract with an LSE with an RA obligation prior to being placed in the highest allocation group for Transmission Plan Deliverability (TPD); and
- Supports higher deposit fees that will encourage developers to submit a reasonable number of interconnection requests for high-quality projects.

[1] CAISO Revised Straw Proposal at 5.

**2. Please comment on section 3.3 - Transparency enhancements: Which data items do you support being public?**

No comments at this time.

**3. Please comment on section 3.3 - Transparency enhancements: Which data items do you support not being public and why?**

CalCCA does not object to the items in section 3.3 being public so long as the “PPA executed and MW” item on Slide 12 would not make the counterparty(ies) to the PPA public, as releasing this information would raise competitiveness concerns.

**4. Please comment on section 3.3 - Transparency enhancements: Are there other data items you would like to see as public information?**

No comments at this time.

**5. Please comment on section 3.3 - Transparency enhancements: What are your thoughts on allowing Interconnection Customers to make their data public?**

No comments at this time.

**6. Please provide comments on the following question related to section 3.4: Revisiting the criteria for PPAs to be eligible for a Transmission Plan Deliverability (TPD) allocation: a) Should the allocation of TPD require a PPA that procures the project’s RA capacity for some minimum term? Please provide reasoning supporting your answer. b) If yes, what should that minimum term be and what is the basis for that?**

Yes, the allocation of TPD should require a PPA that procures the project’s RA capacity for a minimum term. CalCCA understands that this requirement would not preclude projects that do not meet this requirement from getting TPD. Rather, it would prioritize those projects with PPAs with RA capacity for a minimum term in allocation group A, above those PPAs without procuring RA capacity for at least the minimum term. The CAISO should clarify if and how, in the event a project in allocation group A fails, other projects would be reprioritized within the allocation groups. For example, if a project with a PPA fails and the LSE executes a new PPA with another project, does that new

project get placed in allocation group A, effectively replacing the failed project? This clarification is important because LSEs need to be able to determine which projects to pursue to have the best chances of obtaining TPD and - in turn - meet procurement orders in the event a prior project fails.

The minimum term should reflect the standard term of PPAs many CCAs are encountering for new resources, which is 10 years. Minimum term requirements shorter in length may not have the desired outcome of creating meaningful criteria for getting placed in allocation group A, because a majority of PPAs are for terms of 10 years or longer.

- 7. Please provide comments on the following question related to section 3.4: Revisiting the criteria for PPAs to be eligible for a Transmission Plan Deliverability (TPD) allocation: a) Should a PPA that is with an entity that does not have an RA obligation be eligible for an allocation if the procuring entity demonstrates that it has a contract to sell the RA capacity procured to a load servicing entity that has an RA obligation? Please provide reasoning supporting your answer. b) If yes, should the procuring entity be given extra time after the project receives an allocation to secure a contract with a load serving entity with an RA obligation? Please provide reasoning supporting your answer. c) If yes, what length of extra time should be provided and what is the basis for that?**

A PPA with an entity that does not have an RA obligation should be eligible for an allocation of TPD only if the procuring entity demonstrates it has a contract with an LSE that has an RA obligation. This contract should be in place at the time of the deliverability allocation. Because LSEs are the ones with the RA obligations, the capacity they have under contract should be first in line to receive allocations of deliverability. This rationale is consistent with the Maxim Import Capability (MIC) process, in which MIC is allocated to LSEs first (the ones with the RA obligation) and then to others.

- 8. Please comment on section 4.1: Should higher fees, deposits, or other criteria be required for submitting an IR?**

CalCCA supports the CAISO's proposal to increase study deposits to encourage a more reasonable number of interconnection requests.

- 9. Please comment on section 5.1: Should the ISO re-consider an alternative cost allocation treatment for network upgrades to local (below 200 KV) systems where the associated generation benefits more than, or other than, the customers within the service area of the Participating TO owning the facilities?**

No comments at this time.

- 10. Please comment on section 5.2: Policy for ISO as an Affected System – a) How the base case determined b.) How required upgrades are paid for:**

No comments at this time.

- 11. Please comment on section 5.3: While the tariff currently allows a project to achieve its COD within seven (7) years if a project cannot prove that it is actually moving forward to permitting and**

**construction, should the ISO have the ability to terminate the GIA earlier than the seven year period?**

No comments at this time.

**12. Please comment on section 5.3: Do you have any concerns with the ISO's proposed implementation?**

No comments at this time.

**13. Please comment on section 5.3: Are there other opportunities the ISO should consider with respect to projects not moving through the queue?**

No comments at this time.

**14. Please comment on section 6.2: Examining the issue of when a developer issues a notice to proceed to the PTO, requesting the PTO/ISO should start planning for all upgrades that are required for a project to attain FCDS, including the upgrades that get triggered by a group of projects:**

No comments at this time.

**15. Additional comments on the IPE 2021 revised straw proposal and June 14, 2022, stakeholder workshop discussion particularly focused on any Phase 2 issues:**

No comments at this time.