

California Community Choice Association

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1. Provide your organization's comments on the proposed handling of Cluster 15 interconnection requests following the closure of the interconnection request submission window, as described in Section 2.

Introduction

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the Interconnection Process Enhancements (IPE) 2023 Issue Paper and Straw Proposal. This important initiative reflects the fact that while the entire industry is moving as quickly as possible to get new clean resources online, policies and processes in place need to evolve to accommodate the unprecedented pace of procurement that will continue as the state progresses toward Senate Bill (SB) 100 goals. A successful IPE is key to reaching the objectives outlined in the memorandum of understanding between the California Independent System Operator (CAISO), California Public Utilities Commission (CPUC), and California Energy Commission (CEC), especially the aim "...to enhance coordination of resource planning and transmission planning to achieve state reliability and policy needs, and coordinate the *timely development of resources, resource interconnections, and the needed transmission infrastructure.*"[\[1\]](#)

Load-serving entities (LSEs) have procured new resources at record paces in the last several years and will continue to do so. The CPUC ordered procurement in years 2021-2028 through Decision (D.) 19-11-016, D.21-06-035, and D.23-02-040. These procurement orders total 18,800 megawatts (MW) of net qualifying capacity (NQC) or roughly 35 percent of the existing NQC on the system. This build-out far surpasses the pace of procurement at any other time in recent decades.[\[2\]](#) In fact, the build-out rate between 2022-2028 is two and a half times higher than the build rate following the post 2000-2001 energy crisis build-out from 2002-2008.

Just as LSEs are moving as quickly as possible to contract with new projects, the CAISO is moving as quickly as possible to get these projects through the queue. Getting projects through the queue in a timely manner is proving difficult after experiencing an unprecedented amount of requests in Cluster 14 and anticipating a similar volume in Cluster 15. While the number of requests in Cluster 14 has far surpassed the number of requests in any other cluster before it, we should not consider Cluster 14 unique. Instead, the volume of requests experienced in Cluster 14 should be considered indicative of what the CAISO will continue to experience in future clusters, because to meet California's ambitious climate goals, the state will need to continue to develop new resources at a rapid pace for many years to come. Figure 1 shows the cumulative capacity additions necessary for the CEC's SB 100 Core Scenario and 60 percent Renewable Portfolio Standard (RPS) reference scenario.[\[1\]](#) Under the SB 100

Core Scenario, the state will need to build roughly 175,000 MW between 2027 and 2045.

Figure 1

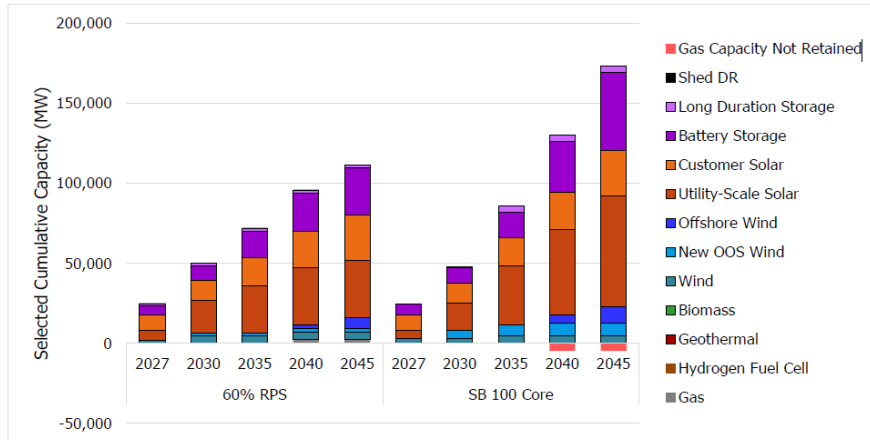
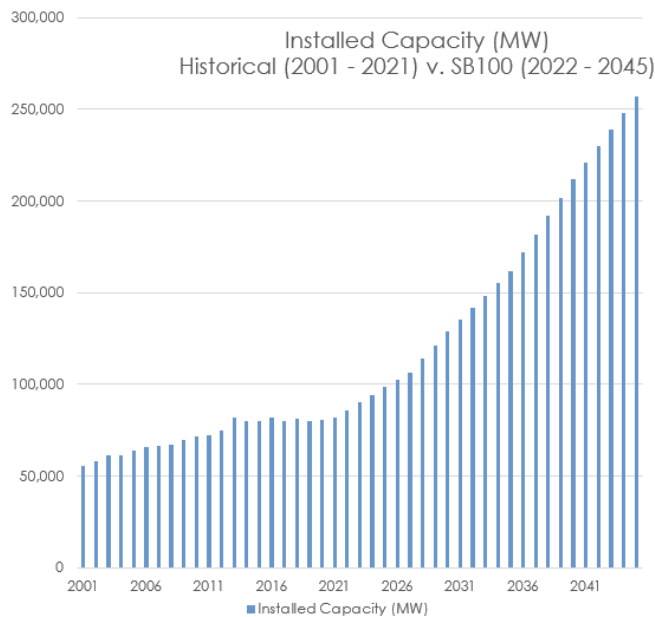


Figure 2 below shows the historical installed capacity since 2001^[2] and future procurement that will be needed to meet the 175,000 MW from the SB 100 Core Scenario shown in Figure 1 above, assuming future procurement occurs in a straight line. From 2001 through 2021, the state has built new capacity at a rate of 1,308 MW per year. Under the SB 100 Core Scenario, the rate will need to increase to 7,292 MW per year from 2022 through 2045 (a 557 percent increase).

Figure 2



CalCCA Response

The CAISO proposes to accept Cluster 15 interconnection requests during the normal April 2023 window and delay validation, scoping meetings, and studies for Cluster 15 until April 2024, to give the CAISO additional time to complete Cluster 14 phase II studies. Given challenges the CAISO anticipates in addressing the projected size of the queue and the workload associated with both Cluster 15 Phase I and Cluster 14 Phase II studies, CalCCA understands the CAISO's need to adjust the schedule for processing and studying Cluster 15. This delay could, however, impact LSEs' abilities to comply with CPUC procurement orders as those orders require projects to be interconnected and deliverable to count towards LSE procurement obligations. While the delay of Cluster 15 may be necessary to complete studies already underway and not double down on the queue backlog, track two of this initiative will be critical in enhancing the interconnection process such that it can handle these volumes in the future without the need for further delays.

[1] *2021 SB 100 Joint Agency Report, Charting a path to a 100% Clean Energy Future*, 19-SB-100 (Mar. 15, 2021, updated Sept. 03, 2021), at 10: <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

[2] <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/electric-generation-capacity-and-energy>.

[1] *Memorandum of Understanding between the California Public Utilities Commission and the California Energy Commission and the California Independent System Operator regarding Transmission and Resource Planning and Implementation* at: <http://www.aiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf> (emphasis added).

[2] <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/electric-generation-capacity-and-energy>.

2. Provide your organization's comments on the Other Issues for Consideration, as described in Section 2.

CalCCA Response

The CAISO is considering conducting a separate study timeline for offshore and out-of-state wind study requests given state policies and CPUC planning activities that have identified a need for both resource types. Additionally, the CAISO indicates the Cluster 15 study delay may inhibit the development of these resources given that they face

unique challenges in obtaining timely power purchase agreements (PPAs) (e.g., procurement responsibilities spread over many LSEs, massive supply chain and construction infrastructure needs). CalCCA generally supports a separate study process for offshore and out-of-state wind, as long as this process does not compromise the ongoing Cluster 14 study timeline or the proposed modified Cluster 15 study timeline that the CAISO would use for other projects. This special process should not negatively impact LSEs' abilities to comply with CPUC procurement orders, particularly considering the CPUC has ordered LSEs to procure other types of long-lead-time resources as defined in D.21-06-035, including long-duration storage and clean firm resources.^[1]

[1] D.21-06-035, *Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026)*, R.20-05-003 (June 24, 2021), at 35-36: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF>.

- 3. Provide your organization's comments on the proposed Interconnection Process reform to only accept or process Interconnection Requests where the transmission system has available or planned capacity identified in the ISO transmission plans, as described in Section 3.1.**

CalCCA Response

The CAISO proposes to accept or process only interconnection requests where the transmission system has available or existing planned capacity. CalCCA supports the CAISO taking more proactive steps to inform stakeholders to locate projects where there is existing or planned transmission capacity. The CAISO's proposal could improve the interconnection process by focusing project development on areas most ready for new resources and prioritizing the number of projects the CAISO studies to those that can interconnect with no or minimal additional transmission system upgrades.

For this proposal to successfully result in project development in preferred zones, the CAISO must publicize upfront where the zones are that have available existing or planned transmission, how the CAISO will prioritize each zone, and how much existing or planned transmission exists in those zones. This transparency is necessary to guide LSE procurement decisions and developer siting decisions.

- 4. Provide your organization's comments on the proposed Interconnection Process reform to limit the number of interconnection request in a study area based on the transmission capacity being planned for that area, as described in Section 3.2.**

CalCCA Response

The CAISO proposes to further limit the number of interconnection requests that the CAISO studies in each zone based upon screening criteria the CAISO would use to filter down the number of requests it studies. CalCCA requires additional details on the

criteria the CAISO would use in order to develop a position on this proposal. When developing the criteria, the CAISO should avoid criteria that could be used to pick winners and losers based upon specific resource technologies or operational capabilities instead of allowing the market to decide the most effective resources to meet state policy goals and reliability needs.

- 5. Provide your organization's comments on the proposed Interconnection Process reform to require projects to have a PPA or be shortlisted to proceed to phase II studies, as described in Section 3.3.**

CalCCA Response

As the CAISO correctly notes, whether or not to move forward on this element will depend on input from procurement experts. CalCCA requires additional time to consult with community choice aggregator procurement experts before providing a recommendation on this element.

- 6. Provide your organization's comments on the proposed Interconnection Process reform to only open a new Interconnection Request window when warranted, as described in Section 3.4.**

CalCCA Response

CalCCA does not support this element of the proposal. As described in Section 1, large study clusters should be considered the new normal. Only opening a new study request window "when warranted" could inhibit viable projects that can provide the grid with reliability and/or green-house gas-free benefits from getting studied and interconnecting to the CAISO system. Rather than retreating away from the annual cluster study process, the CAISO should instead focus on other proposed elements targeted at improving the efficiency of the cluster study process, incentivizing developers to streamline the number of requests they submit, and prioritizing the most viable projects to advance them through the queue more quickly.

- 7. Please provide your organization's comments on alternative elements to those described in Section 3. Any alternatives provided must align with the principles described in the IPE 2023 Issue Paper & Straw Proposal and the discussion at the beginning of Section 3.**

CalCCA Response

In addition to these enhancements, the CAISO should pursue adding new personnel to study interconnection requests or investing in automation or efficiency gains to accelerate the study process where possible. It would be worth exploring increases to the Grid Management Charge to accommodate these additions if it results in new resources coming online faster.

- 8. Provide any additional comments on the IPE 2023 March 13, 2023 stakeholder call discussion.**

CalCCA Response

CalCCA has no additional comments at this time.