

California Community Choice Association

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Contact

Shawn-Dai Linderman (shawndai@cal-cca.org)

1. Please provide a summary of your organization's comments on the 2023 Interconnection Process Enhancements (IPE) track 2 discussion paper and stakeholder call.

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the IPE Track 2 Discussion Paper and Stakeholder Call. This initiative is critically needed to ensure the interconnection process can support the unprecedented pace of procurement that will continue as load-serving entities (LSEs) procure new capacity to meet procurement mandates and as the state progresses toward Senate Bill (SB) 100 goals.

Section 3 of the Discussion Paper includes four principles the California Independent System Operator (ISO) proposes to prioritize interconnections and to increase the efficiency of the interconnection process. While CalCCA supports these principles, any policy change contemplated within this initiative must also adhere to a fifth principle: *Enhance the interconnection process's ability to support the pace of procurement necessary to meet California Public Utilities Commission (CPUC) resource portfolios and California Energy Commission (CEC) SB 100 portfolios.* This principle is first and foremost and should guide the other four principles and resulting policies. CalCCA makes the following comments on the other four principles:

Principle 1: Prioritize interconnection in zones where transmission capacity exists or new transmission has been approved.

Prioritizing interconnection requests that are located in zones with existing or approved transmission capacity could reduce uncertainty around where to locate projects without the need for costly and timely upgrades. This prioritization must be coupled with (1) regular reporting on where existing transmission capacity exists on the system, and (2) existing projects in the queue that would not require network upgrades to interconnect. This information will help developers narrow down their interconnection requests to where they are most likely to receive deliverability allocations and inform LSE procurement. The ISO has provided some of this information periodically^[1] and should do so regularly so developers and LSEs have up-to-date information on prospective projects that have the best chance of interconnecting and obtaining deliverability without major upgrades.

Principle 2: Limit the amount of studies to reasonable capacity volumes that align with state resource planning.

Experience with recent interconnection study clusters has revealed that the volume of interconnection requests and high withdrawal rates results in less

meaningful studies that can be delayed due to the need to restudy with the new mix of projects. Limiting study amounts to reasonable capacity volumes that align with the volumes called for in state planning could improve the meaningfulness and efficiency of the study process if it allows the projects that are studied to complete milestones that point to the project moving along the process and eventually reaching COD. The ISO and stakeholders must carefully consider what capacity volumes provide a “reasonable” buffer above state resource planning targets to avoid limiting the amount of new capacity studied too much. This is essential for two reasons. *First*, the state must interconnect an unprecedented amount of capacity between now and 2045, and having an adequate buffer is critical to ensure these targets can be met factoring in risks of project delays, withdrawals, etc. *Second*, having an adequate buffer to maintain competition among projects in the queue is crucial to support customer affordability during this time of significant investment in energy infrastructure.

Principle 3: Align interconnection and transmission plan deliverability (TPD) processes and LSE resource procurement functions.

Aligning the interconnection process, TPD allocation process, and LSE procurement functions is critical to ensuring viable project progress through the queue, obtain power purchase agreements (PPA), and reach commercial operation. A project’s deliverability status is a key factor LSEs look to in determining whether to execute a PPA, as deliverability is necessary for LSE to count capacity towards their CPUC procurement mandates and towards their RA obligations. Certainty about projects’ deliverability status will decrease the risk of LSEs pursuing unviable projects. The ISO and stakeholders should consider how potential interconnection process reforms will provide more certainty earlier in the process as to whether a project will have deliverability without the need for costly and timely upgrades.

Principle 4: Enhance the post-study queue management procedures, including the modification request and other processes and project accountability.

As discussed in response to question 4, it would be helpful to understand the root causes behind why projects linger in the queue without development progress or why projects withdraw from the queue. Understanding these root causes will help develop policies in accordance with this principle.

[1] See: <http://www.aiso.com/Documents/Briefing-ResourcesAvailable-NearTermInterconnection.pdf>.

2. Please provide feedback on whether the proposed problem statement below addresses the issues associated with new interconnection requests for clusters 14 and 15 and possible trends in future interconnection requests.

The massive increase in interconnection requests seeking to meet the accelerated cadence of resource development now needed by the state on a sustained basis has overwhelmed critical planning and engineering resources across the industry. The current generator interconnection processes simply cannot efficiently accommodate all applicants, and must be substantially redesigned to meet state policy and reliability needs.

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CalCCA strongly agrees that the ISO's interconnection process must be revised to accommodate the increased volume of requests that must be completed to successfully achieve the resource build necessary by 2045 to support SB 100 targets. These revisions should focus *both* on prioritizing the requests received and enhancing the ISO's ability to accommodate more requests overall.

3. Please provide feedback on whether the proposed problem statement below appropriately addresses the issues associated with the number of projects in the existing queue that are neither progressing to construction nor withdrawing from the queue.

Following the study process, many projects in the interconnection queue do not proceed to commercial operations as expected. The current processes for managing the queue do not facilitate a timely development process, and a number of projects remain in the queue without indication of their near-term viability or intent to proceed to contracting or construction.

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CalCCA agrees improvements to the interconnection process are needed to ensure projects that complete the study process move along to reach commercial operation as expected. It will be necessary to understand why projects that complete the study process do not move along timely through the next stages of the development process to develop targeted policy solutions.

4. Provide your organization's high-level comments on each of the three Concepts for Managing Interconnection Request Intake, as described in section 4 of the discussion paper.

At a high level, each of the three options has the potential to improve the ISO's ability to move projects through the queue more efficiently. CalCCA plans to provide additional comments on the three concepts for managing interconnection request intake after participating in the working groups. In the working group process, the ISO should start by identifying the root causes of the problem statements identified in questions 2 and 3. For example, a root cause of the problem statement identified in question 3 could be uncertainty and costs associated with obtaining deliverability. After identifying root causes, the ISO and stakeholders can work to identify targeted solutions that focus on the elements of the process contributing to these problems.

5. If your organization would like to present a proposal on an alternative methodology for accomplishing the fundamental principles in the discussion paper at an upcoming working group meeting, please provide a summary of your proposal, including a statement on how the proposal addresses the problems identified and adheres to the principles outlined in the discussion paper and stakeholder comment.

CalCCA has no alternative proposals at this time but looks forward to discussing the proposals put forth by the ISO and stakeholders during the working groups.

6. Provide your organization's comments on the IPE Track 2 proposed scope and schedule.

CalCCA supports the working group process outlined in section 7 of the discussion paper and looks forward to participating.