Submit comment on Issue paper and straw proposal initiative: Interconnection process enhancements 2021

1. Provide a summary of your organization's comments on the Interconnection Process Enhancements (IPE) 2021 issue paper and straw proposal:

CalWEA's primary concerns are as follows.

CalWEA urges the ISO to moderate some of its proposed actions, which are in response to the large size of Cluster 14, to avoid harming smaller developers. In response to question 7, we urge the ISO to focus on developers that submit an inordinate number of applications – the study deposit and the site exclusivity deposit should remain at the current level for a developer's first five interconnection requests, so as not to penalize developers with limited requests. In addition, forfeitures should only be considered for 30 days after the Phase I results meeting.

With regard to the ISO's proposal to require that interconnection customers finance network upgrade costs to local (below 200 KV) systems exceeding the funding cap (response to question 9), CalWEA strongly opposes this and advise that treatment of network upgrade costs should not differ simply due to a different interconnection voltage level.

Finally, CalWEA urges the ISO to focus on helping projects already in the queue to complete development on time. As a primary example, CAISO should require PTOs to build needed upgrades in a timely fashion; currently, PTOs often take an inordinate amount of time to complete upgrades. CAISO should address this fundamental problem rather than creating shortcuts around the current processes or a new solicitation model. Also, the timing of the limited operational study (5 months before the Initial Synchronization Date) is too late to help with the project development of such projects. CAISO should allow an early LOS a – as early as 24 months before the Initial Synchronization Date.

2. Provide your organization's comments on the ISO's proposal to remove the downsizing window and simplifying downsizing request requirements, as described in section 3.1, as modified in the stakeholder discussion that if a network upgrade only impacts that project, then the ISO would not need to wait for the reassessment to make a final decision on the downsizing:

CalWEA supports the proposal and suggests that the ISO make it clear in the draft final proposal that if the downsizing project has any network upgrades, the proposed MMA-like process will determine if the request has to be assessed in the annual reassessment.

3. Provide your organization's comments on the ISO's proposal for revising the Transmission Plan Deliverability (TPD) Allocation process, as described in section 3.3:

CalWEA supports the proposal with modifications. Groups 1 and 2 should include all active IR or operational resources (rather than only active IRs). CalWEA strongly recommends that the existing TPD Allocation Group 3 that is reserved for actively queued projects to request TPD Capacity based on “Proceeding to Commercial Operation without a PPA” be maintained. Among several practical reasons, we believe that merchant generators should not be deprived of the opportunity to seek deliverability before they are operational.

4. Provide your organization’s comments on the ISO’s proposal for addressing the question of how can the interconnection process and procurement activity align with transmission system capabilities and renewable generation portfolios developed for planning purposes, as described in section 3.4:

The current process could work if, rather than avoiding transmission upgrades as part of the integrated IRP/TPP process, the CPUC would optimize the portfolio in a realistic way that does not seek to avoid transmission upgrades. CalWEA believes these topics should be addressed by the CPUC in the IRP process.

5. Provide your organization’s comments on the ISO’s proposal for determining if a solicitation model be considered for some key locations and constraints not addressed in portfolio development, as described in section 3.6:

The overheated areas and the cost of transmission in these areas are already known to the public. Transmission capacity in many of the overheated areas are already fully allocated to the projects in the queue. Instead of creating a new solicitation model, ISO should focus on helping the projects already in the queue to complete development on time. As a primary example, the ISO should require PTOs to build needed upgrades in a timely fashion; currently, PTOs often take an inordinate amount of time to complete upgrades. CPUC should optimize the IRP portfolios in a more realistic way that could require transmission upgrades.

6. Provide your organization’s comments on the ISO’s proposal for determining if an accelerated process for "Ready" projects be considered, as described in section 3.7:

Rather than creating short-cuts around the GIDAP process, deliverability allocation process, and limited operational study process, the ISO should focus on expediting the completion of upgrades that are delaying many projects in the queue from becoming operational. The ISO should address this fundamental problem rather than create shortcuts that CalWEA believes will mostly benefit PTO projects.

7. Provide your organization’s comments on the ISO’s proposal for determining if higher fees, deposits, or other criteria be required for submitting an IR, as described in section 4.1:

CalWEA opposes higher fees and study deposits that could be a barrier for smaller developers and thus impede competition. Measures to pare down the queue should be aimed at developers that submit an inordinate number of applications. CalWEA recommends keeping study deposits and the site exclusivity deposit for the first five IRs at the current level, so as not to penalize developers with limited requests. In addition, forfeiture of 50% of the site exclusivity deposit upon project withdrawal after the IR is deemed complete is too stringent. At the earliest, such forfeiture could be considered 30 days after the Phase I results meeting.

8. Provide your organization's comments on the ISO's proposal for determining if site exclusivity be required to progress into the Phase II study process, as described in section 4.2:

CalWEA has no objection to this ISO proposal.

9. Provide your organization's comments on the ISO's proposal for determining if the ISO should 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, as described in section 5.1:

CalWEA strongly opposes requiring that interconnection customers finance network upgrade costs exceeding the funding cap. Treatment of network upgrade costs should not differ simply due to a different interconnection voltage level.

10. Provide your organization's comments on the ISO's proposal for determining the policy for ISO as an Affected System - how is the base case determined and how are the required upgrades paid for, as described in section 5.2:

CalWEA has no objection to this ISO proposal.

11. Provide your organization's comments on the ISO's proposal for the expanded errors and omissions process to provide criteria and options when changes to network upgrade requirements occur after Financial Security (IFS) postings have been made, as described in section 5.3:

CalWEA does not object to this ISO proposal but asks ISO to clarify the different processes for PTO/ISO error and omission vs. IC error and omission. According to the ISO during the stakeholder call, an IC must give up maximum cost responsibility (MCR) and maximum cost exposure (MCE) protections in order to correct an IC-responsible error or omission. ISO should describe how the MCR and MCE would be re-established.

12. Provide your organization's comments on the ISO's proposal for clarifying the definition of Reliability Network Upgrade (RNU), as described in section 5.4:

CalWEA has concerns about the limited operational study to allow interconnection prior to completion of RNUs. Please see comments below in response to question 20.

13. Provide your organization's comments on the ISO's proposal for transferring Participating Transmission Owner (TO) Wholesale Distribution Access Tariff (WDAT) Projects into ISO Queue, as described in section 5.5:

CalWEA supports this ISO proposal.

14. Provide your organization's comments on the ISO's proposal for changing sites and POIs during IR validation, as described in section 5.6:

CalWEA supports this ISO proposal and requests that the ISO and PTOs clearly define the study area boundaries and make the definitions available to the public.

15. Provide your organization's comments on the ISO's various questions for addressing whether the ISO have the ability to terminate the GIA earlier than the seven year period, if a project cannot prove that it is actually moving forward to permitting and construction, as described in section 5.7:

CalWEA doesn't see any harm in EO projects remaining in the queue except that it could contribute to the need for short circuit duty mitigation. An EO IR could be terminated if it contributes to critical short circuit duty needs and has made no progress towards COD beyond the 7-year period.

16. Provide your organization's comments on the ISO's proposal for should parked projects be allowed to submit any type of MMAs while parked, as described in section 5.8, and if yes, what criteria should be required:

CalWEA supports verbal comments by Phoenix Consulting that there should be a middle ground to allow parked projects to submit certain MMAs and at the same time meet their second IFS posting requirements.

17. Provide your organization's comments on the added scope item from SCE to add due dates for curing deficiencies in Appendix B, to avoid delays in starting Phase II studies, as described in section 6.1:

CalWEA has no objection to the ISO proposal but asks ISO to clean up Appendix B to remove unnecessary data requirements.

18. Provide your organization's comments on the added scope item from SCE to make it explicit that when ICs agree to share a gen tie-line, PTO interconnection facilities, and any related IRNUs at a substation across clusters, the shared IRNUs are not subject to GIDAP Section 14.2.2, as described in section 6.1:

CalWEA believes that shared IRNUs should not be exempted from GIDAP 14.2.2 if the projects sharing upgrades have no affiliation with each other.

19. Provide your organization's comments on the added scope item from Gridwell on a proposal to include an issue focused on improved transmission grid data transparency, and specifically what data your organization would like to obtain publically, as described in section 6.2:

CalWEA supports the ISO proposal. ISO should enhance the quality of interconnection reports. For example, ISO should define the study area boundary in the area reports.

20. Provide your organization's comments on the added scope item from LSA/SEIA to resolve delays caused by PTOs via modifications to commercial viability criteria, as described in section 6.3:

CalWEA supports the ISO proposed modifications to commercial viability criteria. But the proposal does not address the concern CalWEA has raised regarding project interconnection before all its RNUs are in service. Timing of the limited operational study (LOS) (5 months before the Initial Synchronization Date) is too late to help with the development of such projects. ISO should allow an early LOS – as early as 24 months before the Initial Synchronization Date.

21. Provide your organization's comments on the added scope item from LSA/SEIA to address network upgrade re-stacking and how your organization would suggest the Participating TOs would prioritize the various upgrades versus project CODs, as described in section 6.3:

CalWEA does not see any basis to assign NU to projects with earlier COD if such NUs are not needed by these projects. PTOs will be pressed to construct NUs in a timely manner to meet generator COD needs.

22. Provide your organization's comments on the added scope item from LSA/SEIA to address expanding deliverability transfer opportunities, as described in section 6.3:

CalWEA supports this ISO proposal.

23. Provide your organization's comments on the added scope item from CalWEA to address re-examining the ISP electrical independence test in section 6.4 and provide specific proposals for revisions to the ISP electrical independence test criteria that provides a methodology that addresses the condition where a current cluster project is impacted or a potential impact cannot be ruled out:

The current flow test for independence is based on the flow caused by the Generating Facility being tested divided by the lesser of the Generating Facility's size or the transmission facility capacity. If the result is five percent (5%) or less, the Generating Facility would pass the flow impact test. This means both shift factor and flow impact must be less than 5% to pass the test. CalWEA suggests that ISO modify the criteria such that small projects with close to 0 flow impact can pass the test even if they are electrically close to the transmission facility being tested – their shift factor is higher than 5%:

The Generating Facility passes the flow impact test if one of the following is true: 1) flow divided by the Generating Facility's size is 5% or less, or 2) flow divided by the transmission facility capacity is 2% or less.

24. Provide your organization's comments on the added scope item from REV Renewables to address 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, as described in section 6.4:

The ISO requests stakeholder feedback on whether FCDS should be provided to an Interconnection Customer that has achieved commercial operation, provided the Interconnection Customer agrees to pay the cost of the upgrade(s) that have not yet been built and agrees to defer repayment of Network Upgrades until all upgrades are built or a reassessment study determines that the Network Upgrade(s) is no longer required. CalWEA believes that FCDS should only be granted after the required upgrades are in service unless the ISO changes the NQC reduction methodology. Currently, resources get Interim Deliverability Status (IDS) while waiting for the upgrades, then achieve FCDS after all required upgrades are in service. If there isn't sufficient transmission to support deliverability of all the resources due to upgrades not in service yet, NQC is reduced among IDS resources first. If NQC reduction among IDS is not enough, further NQC reduction is spread among all FCDS resources contributing to the transmission constraints. Therefore, if a resource is designated FCDS before the needed upgrades, the NQC reduction is unfairly spread to other FCDS resources that do not require the upgrades.

25. Provide your organization's comments on the added scope item from SDG&E recommending there be a requirement that any IR that proposes to utilize a third party owned gen-tie must provide documentation as part of their IR that demonstrates that the gen-tie owner has agreed to the project using its gen-tie, as described in section 6.4:

CalWEA does not agree with the ISO proposal and suggests the agreement be required by the time that Appendix B is due. If the IC does not have an agreement from the third-party before the Phase I study, the Phase I study can assume a dedicated gen-tie for the purpose of establishing MCR.

26. Provide your organization's comments on the added scope item from SDG&E recommending that after the IR validation, the ISO should be consistent in using RIMS for all documents, details, etc. related to projects, as described in section 6.4:

CalWEA supports the ISO proposal to include all documents in RIMS.

27. Additional comments on the IPE 2021 issue paper and straw proposal and December 13, 2021 stakeholder workshop discussion: