



California Wind Energy Association

May 29, 2024

Jan Schori, Chair
Severin Borenstein, Vice Chair
Members of the Board
Board of Governors
California Independent System Operator
250 Outcropping Way
Folsom CA 95630

Transmitted electronically

Re: Follow-on Points Regarding Board Discussion of Final Proposed Track 2
Interconnection Process Enhancements

Dear CAISO Board of Governors,

Thank you very much for the additional opportunity to submit comments following the May 23, 2024, board meeting. In view of the comments made at that meeting, CalWEA offers the following three points, in addition to the remarks made at the meeting.

TPD capacity data will be inaccurate at the time of study commitments. The fundamental flaw of the staff proposal is that interconnection customers must achieve a high level of readiness and make very substantial nonrefundable deposits without knowing the amount and timing of available TPD capacity. At the meeting, in response to a question posed by Mike Florio, staff stated that the TPD information would be updated for C15 after C14 TPD allocations are made in mid-June, suggesting that the information for C15 would be accurate. This is not the case. The data that staff will publish in mid-June will reflect only the partial deliverability awards made to C14 projects. The data that staff will use to study C15 projects will include all C14 deliverability awards as well as the SCE C15 WDAT projects that were allowed to move forward without being subject to the CAISO pass/fail test. As a result, many if not most projects that passed the CAISO in-take screen with enormous expenditure will find out that there is no deliverability capacity left for them and they will be kicked out of the queue, losing their substantial deposits. This is a huge risk for developers and favors the very largest ones.

There is no definition of “long lead-time” resources. Staff’s proposal provides points for “long lead-time” resources (better thought of as “location constrained” resources, such as wind, geothermal, and long-duration storage) in zones with existing or approved transmission capacity. In addition, staff has indicated that it will entertain proposals for

reserving capacity for such projects in IPE Track 3. There are three problems here that will greatly limit transmission access for such resources. First, long lead-time resources are not likely to be in the limited zones identified by CAISO. Second, the term “long lead-time” has not been defined, either by CAISO or by the CPUC (e.g., the CPUC is currently in the process of defining the “long lead-time” resources that should qualify for central procurement under AB 1373). Third, the outcome of Track 3 is uncertain, with many parties opposed to the notion of reserving capacity.

Most of the development community’s concerns can be addressed by proposals on the table. As noted in CalWEA’s April 26, 2024, letter to the board, staff never meaningfully engaged in a discussion of proposals from CalWEA and other members of the development community. These proposals would study a reasonable fraction of generation interconnection capacity in each of the study zones based on interconnection applications so that reasonably accurate interconnection cost and timeline estimates may be provided for all applications in each generation pocket. These proposals, in combination with stricter site control and other requirements already established by FERC in Order 2023, would substantially reduce the CAISO resources required to study applications, while enabling LSEs to make informed decisions regarding which projects should be studied based on objective information, thereby greatly reducing concerns regarding LSE scoring. Even with these reforms, CalWEA believes that all location-constrained resources should be exempt from the study process as there are relatively few of them (most applications are solar and solar/battery) and they are unlikely to be captured in the existing zones (which favor location unconstrained resources).

CalWEA believes that it would be well worth spending the summer discussing and adopting such an approach, which we believe could be considered by the board in August and approved by FERC in November, delaying the C15 process by only a few months longer than the year-long delay already incurred.

Sincerely,



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