



## Submit comment on Draft Final Proposal

Initiative: Interconnection process enhancements 2023

### 1. Please provide your organization's questions or comments on Intra-cluster Prioritization of Use of Existing SCD/RNU Headroom:

CalWEA generally supports the proposal for QC14, which allows more viable projects to move forward and use available existing system capacity. We agree with the proposal to treat EO and FCDS projects with the same priority, everything else being equal. However, when scoring for PPA status, EO projects should receive 10 points (rather than 7 points) if they have an EO PPA because these projects are matching their PPA requirement. In addition, to make this provision effective for the many projects awaiting RAS upgrades, all projects waiting for RAS upgrades should be allowed to start operations using congestion management (a technically sound option) until the RAS is implemented.

### 2. Please provide your organization's questions or comments on the Modifications to the TPD Allocation Process, by these sections:

a) Allocation Groups b) Multi-fuel projects receiving an allocation with PPAs c) Parking d) Opportunities to seek TPD e) Eligibility of Energy Only projects to seek TPD f) Documentation g) Modifications to the TPD scoring criteria. H) Scoring for the Commercial Operation group

CalWEA provides comments on four of these issues:

(a) Allocation Groups - CalWEA continues to recommend that the highest priority be placed on operational projects, including those that entered the queue with an EO request (as opposed to current policy that prohibits EO projects from ever attaining FCD status). Operating projects can provide RA to the market immediately, with no additional transmission costs (no additional DNU's are required), which provides ratepayer benefits by mitigating RA capacity costs.

(e) Eligibility of Energy Only projects to seek TPD – As noted above, granting TPD to operating EO projects would add RA resources to the market immediately with no additional transmission costs, serving reliability goals and ratepayer interests. Therefore, any operational EO project in any cluster (and Fast Track for <5 MW projects) should be able to seek TPD and be prioritized. To address any CAISO concerns that such an approach could be used by project developers to game the process, we remind CAISO that a project developer will have to place tens, if not hundreds, of millions of dollars at risk in bringing an EO project to life. All that CAISO needs to do is make sure that such a project moves towards its COD according to its GIA.

(f) Documentation - CAISO should provide some flexibility to offtakers of TPD-retention or TPD-seeking projects, enabling offtakers to obtain an additional month's time beyond the affidavit submittal deadline by submitting a formal letter attesting that the offtaker is awaiting final execution of the PPA.

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(g) Modifications to the TPD scoring criteria - CAISO clarified that transferring TPD from a later to an earlier cluster will no longer be allowed as of QC15. Previously, projects at same POI were allowed to transfer TPD from a project in a later to an earlier cluster. Ending that practice would deprive the market of RA capacity, since earlier-queued projects are likely to have an earlier COD. Allowing such transfers will increase the viability of earlier-clustered projects and advance new resource development, which promotes reliability and ratepayer interests. Therefore, we recommend that CAISO simply change the rule to allow a project to transfer TPD capacity to another project at the same POI that has an earlier or same-date COD.

### **3. Please provide your organization's questions or comments on the Adjusted 2nd Interconnection Financial Security Posting for Cluster 14 Parked Projects.**

CalWEA strongly supports the CAISO proposal to move the second IFS posting due date for QC 14 parked projects to May 29, 2026, which avoids projects having to put money at risk before TPD is allocated.

### **4. Please provide your organization's questions or comments on Special Consideration for Long Lead Time Generation and Storage Resources, specifically:**

a) Eligibility b) Opportunity to defer first attempt to seek TPD c) Amount of TPD requested and reserved d) Triggers for releasing reserved TPD e) Need for additional detail and discussion

CalWEA generally supports the proposal but requests several refinements and clarifications.

(a) Eligibility

CAISO should more clearly define, and provide accompanying rationale for, its proposed criteria (p. 40-41) for the resource types and technologies that will be eligible for transmission capacity reservation. The criteria should require resource types and technologies to be both "long lead-time" and "location-constrained," with both terms defined and justified. CAISO should then identify the universe of resource types and technologies that satisfy the criteria, while still enabling that universe to be modified over time if needed to reflect technological advancements. Finally, apart from the criteria, the process should provide that each LRA request, from among the universe of qualifying resources/technologies, a certain amount of capacity to be reserved for their desired resources/technologies within designated transmission zones.

Regarding the criteria, the term "long lead-time" is not described or defined in the document. The Final Draft Proposal provides only an incomplete list of examples. That list excludes some resource types and technologies that meet the criteria,<sup>1</sup> creating uncertainty. The term should be defined to include resources whose development and permitting lead-times – apart from transmission -- are relatively longer than others (i.e., typically five years or longer). In this context, it is critical that transmission be excluded from the development timeline because most new resources have been, and will continue to be, delayed by transmission planning and development lead-times; thus, including transmission lead-time would not distinguish among resources based on their own attributes.

The "location-constrained" criterion should be defined as resources and technology types that exist in limited locations and therefore cannot be developed to take advantage of available transmission capacity outside of those areas. CAISO can refer to its own queue to distinguish between resources

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<sup>1</sup> Excluded are onshore CAISO-interconnected wind resources, all geothermal resources, and long-duration storage resources that are constrained to limited geological features.

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for which interconnection requests are numerous and widespread and those that are not. Projects that rely on resources that are widely dispersed and technologies that have substantial locational flexibility can be located to utilize transmission capacity where it exists or is planned to exist. Thus, transmission that is planned for location-constrained resources must be protected from resource/technology types that have much greater locational flexibility and shorter lead-times and thus could use up the transmission needed for location-constrained resources.

Again, CAISO should make clear that both criteria – long lead-time and location-constrained – must be met to be eligible for the transmission capacity reservation proposal.

CAISO should then identify the universe of resource types and technologies that satisfy both proposed criteria, while enabling that universe to be modified over time to reflect technology advancements. That universe currently is wind (offshore and onshore, both in and out-of-state), geothermal, and long-duration storage types that are constrained to limited geological features.

LRAs may then request that transmission be reserved for certain quantities of these eligible resources in particular transmission zones.

### (b) Opportunity to defer first attempt to seek TPD

No comment.

### (c) Amount of TPD requested and reserved

CAISO should reserve existing available capacity, and plan for additional transmission capacity as necessary, to accommodate the total amount of eligible resources requested by LRAs in each transmission zone. CAISO should clarify the unclear statement on p. 47 (“the lower of (a) the MW quantity of long lead-time FCDS generation in the approved LRA portfolios submitted to the ISO in the most recent TPP and (b) the transmission capacity created by the transmission plan upgrades for the specific long lead-time public policy requirement”) accordingly.

CalWEA also recommends clarifying the statement on pp. 47-48 as follows: “To the extent that a ~~resource seeks additional~~ projects collectively seek deliverability beyond what is approved and reserved in the portfolio, ~~the interconnection customers~~ will have to compete for the excess based on the same scoring process used to prioritize projects the PPA group and the conditional group.” Based on the subsequent sentence, this appears to be CAISO’s intent, which CalWEA supports.

### (d) Triggers for releasing reserved TPD

CalWEA recommends clarifying the statement on p. 48 as follows: “Reserved TPD should only be released in the event of formal cancellation of an associated policy-driven transmission project or if the generic resource (not specific projects) is later removed from the LRA’s portfolio due to project failure for any reason and is not added to another LRA’s portfolio in the same timeframe, with formal written decision(s) by the LRA(s).”

### (e) Need for additional detail and discussion

No comment.

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### 5. Please provide any additional feedback:

No additional comment.