CalWEA Comments as submitted online 7/29/24

Submit comment on Track 3A revised straw proposal and 3B straw proposal

Initiative: Interconnection process enhancements 2023

1. Please provide your organization's questions or comments in response to the Track 3A: Modifications to TPD Allocations. Please reference the proposal's numbered item you are commenting on.

CalWEA generally supports the Track 3A proposals, commenting only on the following two elements.

Proposal Element 6

For practical reasons, CalWEA recommends that operational EO projects that apply for deliverability receive highest priority for TPD capacity because capacity from these projects will be immediately available to meet LSEs' capacity needs and should be recognized for the value they are providing. Prioritizing EO projects will also encourage viable projects to develop without FCDS capacity.

Proposal Element 11

CalWEA supports the CAISO's broadly stated proposal to reserve and allocate TPD capacity from public policy network upgrades in the TPP "to the long lead-time resources those upgrades were intended to support." (Straw Proposal at p. 22.) CalWEA agrees with CAISO (Straw Proposal at p. 16) that that this proposed policy is necessary to align the TPP with specific CPUC portfolio requirements and therefore does not represent undue preference. CAISO notes that its proposal is based on an existing provision of its FERC-approved tariff.

Consistent with CAISO's Track 2 draft final proposal (noted on p. 11 of the Track 3A proposal), CalWEA recommends that CAISO define this policy more specifically to state that CAISO will reserve TPD capacity for all location-constrained resources as identified by the CPUC in its most recent Preferred System Plan (PSP) as well as the resources identified in the final decision on Central Procurement. "Location-constrained" should be defined as commercial-grade resources that are not widely distributed, including wind energy (onshore and off), geothermal, and any location-specific storage resources (such as compressed air and pumped hydro) identified in the PSP and in the final decision on Central Procurement. These resources can only be developed in these specific areas, unlike solar and battery resources that have far greater location flexibility, as demonstrated by their large volumes in the queue. (Of the >174 GW active in the queue up to QC14, 160 GW are battery or solar; only 14 GW are non-battery/solar location-constrained resources.)

The Straw Proposal states (p. 22) that CAISO will consider the CPUC's April 2024 Ruling (now Proposed Decision) on Central Procurement to "determine if it provides any relevant guidance on further TPD allocation modifications for long lead-time resources." However, that CPUC inquiry has

been focused solely on what resources might require central procurement, not on what resources might require TPD capacity reservation. Therefore, CAISO should not look solely to the final decision in this case for guidance unless it specifically addresses TPD allocation. Rather, it should refer to the CPUC's most recent PSP, as well as the resources identified in the final decision on Central Procurement.

TPD capacity reservations for location-constrained resources should not be limited to the upgrades that "would not be developed but for those resources being prioritized in the CPUC integrated resource planning (IRP) process" (Straw Proposal at p. 16). Such reservations should extend to all location-constrained resources in the PSP that pre-date this capacity reservation proposal, including resources that would utilize existing transmission capacity or capacity from projects adopted prior to the most-recent PSP (where the resource was not previously identified by the CPUC). This preference is necessary because there are insufficient diverse resources in the pre-C15 queue to meet the CPUC's PSP goals for 2039, and projects in the queue may not have PPAs for many years:

- Only ~7 GW is onshore CAISO-interconnected wind vs. 7 GW in 2035 plan – this is only 1.0x the needed capacity which provides no room for competition and project failures; many projects in queue have been there for years; new projects in QC15 or later queues may be more likely to succeed.

- Only 60 MW is geothermal vs. 2 GW in CPUC plan – this is far less than 1.0x the needed capacity. Further, there is only ~1 GW of geothermal in IID queue, which is MIC-constrained; only 700 MW of MIC is available for all IID resources (mostly being used by solar/storage).

- While ~2 GW of non-battery storage is in the pre-C15 queue -- double the 1 GW in the CPUC plan, more than 2x the needed capacity is necessary to enable competition and project failures.

The location-constrained resources included in the PSP, whether presently in the queue or not, should be treated as "prior commitment" (per CAISO tariff Appendix DD section 8.9.1 "First Component: Representing TP Deliverability Used by Prior Commitments") so that they will be prioritized over all other resources for the TPD capacity that is available from previously approved upgrades as well as newly approved TPP public policy network upgrades. Thus, using the busbar mapping for 2039 from the CPUC's PSP adopted in February 2024, these resources would, for example, be included:

- 849 MW of FCDS capacity should be reserved for geothermal resources in the East of Pisgah Study Area
- 2,924 MW of FCDS capacity should be reserved for offshore wind resources in the PG&E Kern Study Area.
- 1,325 MW of FCDS capacity should be reserved for wind resources in Baja CA in the SDG&E Study Area
- 1678 MW of FCDS capacity should be reserved for wind resources in the PG&E North of Greater Bay Area Study Area.

Where there are not enough interconnection applications in the CPUC's identified location-constrained resource areas, CAISO should add resources as needed to fulfill the CPUC's Preferred System Plan (PSP). As CAISO noted in Element 11.1, this will enable such projects to enter the interconnection process prior to any realistic opportunity for procurement of their resource. These

location-constrained projects should receive TPD allocation priority according to when they entered the queue.

Projects dependent on new upgrades should be required to meet reasonable milestones as transmission projects advance through permitting and construction to ensure that the transmission projects will be used for the location-constrained resources as intended. A sufficient amount of location-constrained capacity should be in the queue prior to commencement of construction.

CAISO should propose such milestones and queue-sufficiency metrics for consideration by the parties and should include these details in the final proposal.

To facilitate project entry into the interconnection process, CAISO should implement special rules for LLT/location-constrained ("LLT/LC") resources in the intake process beyond assigning points for these resources in the scoring process. LLT/LC resources should be treated separately from non-LLT/LC resources in the intake process to ensure that all such resources obtain FCDS.

Currently, for example, when CAISO reserves TPD for LLT/LC resources in PG&E NGBA, CAISO claims no deliverability remains behind the Delevan 500kV constraint. So additional QC15 LLT/LC projects at POIs constrained by Delevan 500kV are rejected, including offshore wind projects. Instead, LLT/LC resources should be treated separately from non-LLT/LC resources in the intake process. CAISO should make clear what amount of TPD will be reserved for each type of LLT resource in each zone. Then up to 150% of the reserved amount for each type of LLT/LC resource should be included in the study. This way, capacity for QC15 offshore wind and all other LLT/LC resources in NGBA will be reserved, including capacity for QC16 Northeastern California wind projects.

2. Please provide your organization's questions or comments in response to the Track 3B: Intra-cluster prioritization.

CalWEA strongly supports CAISO's proposed broad approach for allowing "eligible resources" to use existing headroom in the system ahead of the in-service date of the long-term GRNUs required for those resources per CAISO cluster studies. The details of the scoring used to determine eligibility of resources to use existing headroom in the system should be carefully vetted as part of Track 3B.

Furthermore, these eligible resources should have their earlier allowed milestone dates reflected in their Generation Interconnection Agreements without any condition placed on the earlier milestone dates, such as the need to perform a Limited Operational Study a few months before earlier allowed Initial Synchronization Date.

The solution that is devised for Track 3B, which will enable many projects to commence operations while awaiting long-term GRNUs, should be made available for future clusters as well for when similar conditions arise.

3. Please provide your organization's questions or comments in response to the Track 3B: Interim deliverability.

CalWEA supports CAISO's proposal to give interim deliverability priority based on when TP Deliverability was allocated.

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4. Please provide any additional feedback.

No additional comments at this time.