



Submit comment on Track 3A 8/28 and 9/4 working group meetings

Initiative: Interconnection process enhancements 2023

1. Please provide your organization's questions or comments and potential solutions to the Track 3A long lead-time deliverability network upgrade issue:

No comment at this time.

2. Please provide your organization's questions or comments and potential solutions to the Track 3A long lead-time reliability network upgrade issue:

No comment at this time.

3. Please provide your organization's questions or comments and potential solutions to the Track 3A long lead-time resource issue:

A. Resources that should qualify for TPD capacity reservation.

During the Sept. 4 workshop, CAISO stated that it is currently reserving TPD capacity for out-of-state wind (OOSW) and offshore wind (OSW) for the amounts in the CPUC's baseline portfolio. At the Sept. 17 Interconnection Fair, CAISO stated that it is reserving capacity only for offshore wind. Either way, CalWEA strongly objects to reserving capacity for such a limited subset of resources, for which no rationale was provided.

CalWEA agrees with CAISO's Track 3A Revised Straw Proposal¹ wherein CAISO stated that TPD capacity will be reserved "for long lead-time projects that align with TPP[-]approved new transmission to meet specific CPUC portfolio requirements for specific resource types, such as offshore wind, out-of-state wind and geothermal." CAISO stated that "Sections 8.9.1(b) and (c) allow the ISO to reserve TPD capacity for resources outside the ISO and resources internal to the ISO that are designated as resource technologies and in locations that are needed to meet state policy goals."² 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 CPUC's final decision on Central Procurement.

¹ CAISO Track 3-A Revised Straw Proposal (July 8, 2024) at p. 12.

² *Id.* at p. 23.

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While CAISO also indicated that it would look to the CPUC's decision on Central Procurement to "determine if it provides any relevant guidance on further TPD allocation modifications for long lead-time resources,"³ that CPUC decision was focused solely on what resources require central procurement and did not address what resources require TPD capacity reservation. Therefore, CAISO should look to the CPUC's most recent resource portfolio to determine which "resource technologies and in locations that are needed to meet state policy goals."⁴

All location-constrained resources – projects that must locate in very limited, site-specific locations where commercial-grade resources are present – should qualify for TPD capacity reservation because the CPUC's portfolio will not be realized without this treatment. These resources – namely, geothermal, all types of wind energy (offshore, in-state and out-of-state), and long-duration energy storage – also happen to constitute the diverse generation-resource supply in the CPUC's PSP. CalWEA also agrees with CalCCA that resources that "may not be compatible with the updated interconnection process" should qualify. Indeed, CAISO has stated that its now-adopted interconnection reforms "incentivize projects to come into the queue when there is a realistic ability to secure a PPA or be shortlisted. However, projects such as offshore wind projects may need to enter the interconnection process prior to any realistic opportunity for procurement of their resource."⁵ While the example used was offshore wind, the rationale applies to any diverse, location-constrained resources entering the interconnection process prior to any realistic opportunity for procurement of their resource (e.g., 8-10 years from commercial operations for transmission or other reasons). Rather than using the term "long-lead-time" (LLT) resources in these comments, therefore, CalWEA will refer to the resources for which TPD capacity should be reserved as "qualifying" resources.

As we've seen, for example, with Imperial Valley geothermal, the Southern California capacity approved in the 2022-23 TPP cycle could have served these resources had the TPD capacity reservation policy been in place at that time. As it was not, all that capacity was allocated to solar and battery resources. So, the geothermal in the PSP in Imperial Valley and elsewhere must now be planned for – and reserved – in the current (2024-25) and subsequent TPP cycles. Similarly, if the CPUC's portfolio is to be realized, the "in-state" wind energy (including Baja-area wind), out-of-state wind, offshore wind, and LDES resources included in the PSP must be planned for in the current and subsequent TPP cycles, and their TPD capacity reserved in the immediately following TPD allocation process.

B. How and when capacity should be reserved.

In the current (2024-25) TPP cycle (with the plan to be approved in May 2025), CAISO must include in the study a combination of queued and generic (or "phantom") resources at planned substations that fulfill the CPUC's resource plan and assign them deliverability in developing the plan. If the queued capacity in QCs 13, 14 and 15, for each qualifying capacity type is insufficient to meet the CPUC's planning target for that type, the CAISO should add sufficient generic capacity in the TPD allocation process to achieve that goal.

³ *Ibid.*

⁴ *Ibid.*

⁵ *Ibid.*

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That capacity should be reserved for the QC16 TPD allocation process in 2028, and for resources in later queue clusters as necessary.

The reserved TPD capacity should become available at POIs designated for the designated qualifying resource according to the busbar map (e.g., offshore wind at Humboldt, onshore wind in Northeast California, geothermal in Imperial Valley, etc.). Collector substations should be planned accordingly until a sufficient amount of projects in these areas materialize, adjusting substation locations as needed.

CAISO should accept projects of all types into the interconnection study process at these POIs until total capacity (in-queue) of qualifying resources reaches 150% of portfolio goals since not all projects will succeed. Planning for and reserving of TPD capacity for qualifying resources should be done throughout the interconnection study process, from intake of the application to TPD allocation. During the cluster study/restudy, these qualifying resources should be studied, along with any non-qualifying projects. In the TPD allocation process, if the amount of qualifying queued resources is not sufficient to reach the CPUC portfolio goals, additional “phantom” resources should be added to make up for the difference and the total sum of qualifying resources should be allocated TPD on a priority basis before allocating TPD to non-qualifying projects seeking TPD based under the TPD allocation rules.

For out-of-state resources, there are two different mechanisms – projects that require MIC and projects in the CAISO queue. CAISO should explain how it is going to reserve the proper amount of TPD in each step of the study process and ensure that TPD capacity is not double counted.

C. Rules regarding converting capacity to different technologies.

It is CalWEA’s understanding that a total of 5.6 GW of OSW capacity was reserved in the latest TPD allocation at Humboldt (1.6 GW – generic OSW capacity) and Central Coast (4 GW – all queued projects). However, under current CAISO rules, queued OSW resources can convert from OSW to another technology if they cannot secure PPAs or other procurement assurances within a few years. The new technology is likely to be battery storage, but certainly not other types of location-constrained resources, which do not exist in the Humboldt or Central Coast locations.

To ensure that sufficient capacity is reserved to achieve the CPUC’s portfolio, if any Central Coast OSW resources convert from qualifying to non-qualifying technologies, CAISO should plan for additional generic OSW capacity in the following TPP cycle to make up for the converted capacity.

In the future, beginning with QC15, qualifying resources that benefit from capacity reservation should not be allowed to convert to non-qualifying resource types, except for some fraction of their net injection to storage to provide reasonable flexibility.

D. Addressing near-term reliability needs

To ensure that the capacity reservation policy for qualifying resources does not interfere with capacity that is needed for the mid-term period, interconnection customers should be able to request, during the TPD allocation process, release of capacity that would otherwise be reserved for qualifying resources. Capacity should be released to such customers if they prove to CAISO that they can come online within the MTR timeline (by 2028). New capacity should be planned in the next TPP cycle to make up for what is allocated to MTR resources.

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4. Please provide your organization's questions or comments in response to the Track 3A: continuing allocation group D as it operates now, removing the restrictions and have the group D allocations reduce the available TPD capacity for the cluster studies:

No comment at this time.

5. Please provide your organization's questions or comments in response to the ACP-CA "Group D Conditional Deliverability" presentation:

No comment at this time.

6. Please provide your organization's questions or comments in response to the EDF Renewables "Development Alignment Proposal" presentation:

No comment at this time.

7. Please provide any additional feedback:

No comment at this time.