



California Wind Energy Association

April 26, 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: Concerns Regarding Final Proposed Track 2 Interconnection Process Enhancements

Dear CAISO Board of Governors,

I write to apprise you of CalWEA's grave concerns with the Final Track 2 Interconnection Process Enhancements Proposal ("Final Proposal"), on both substantive and procedural grounds, and to request further consideration of alternatives before bringing the item to the CAISO board.

As you know, FERC adopted Order 888 to ensure non-discriminatory open access to electric transmission service as the foundation necessary to develop competitive bulk power markets in the U.S., finding that "interconnection service plays a crucial role in bringing generation into the market to meet the growing needs of electricity customers and competitive electricity markets."¹ We believe that the Final Proposal would cause great harm to open access transmission service within the CAISO market.

The proposal establishes a process for project selection that strongly favors load-serving entity interests, wherein LSEs would determine the projects to be studied based largely on subjective grounds, and thus could invite anti-competitive behavior. The process for LSEs to award points to projects is undefined and not transparent. Importantly, LSE interest is already reflected in the CPUC's IRP portfolios which form the basis of the CAISO's transmission planning. The process for choosing which projects to study would not be informed by the information most vital to project viability: transmission upgrade costs and timelines. Moreover, the process would favor applications in limited development areas,

¹ Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 11.

which can be expected to drive up land prices in those areas, driving up electricity service costs that will inhibit achievement of the state's electrification goals.

While CAISO management has allowed some discussion of alternative proposals from CalWEA and other members of the independent power community, we have no indication that CAISO ever seriously evaluated these alternatives as it never opined on their merits or feasibility. These similar proposals would study a reasonable volume of generation interconnection capacity in each of the study zones based on interconnection applications so that reasonable 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. Given the draconian impacts of the Final Proposal, we believe it is incumbent on CAISO to consider reasonable alternative approaches.

We would welcome the opportunity to discuss this matter with you at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Rader".

Nancy Rader
Executive Director
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