



Comments of the California Energy Storage Alliance (CESA)

Generator Interconnection: Cluster 14 Revised Study Process and Timeline

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Submitted by	Organization	Date Submitted
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Please provide your organization’s comments on the Supercluster Interconnection Procedures issue paper and draft final proposal, and May 21 stakeholder call discussion:

CESA appreciates the leadership of the California Independent System Operator (ISO) in addressing the challenges related to this year’s queue cluster (QC) process, QC 14. As noted in the Issue Paper and Draft Final Proposal (Draft Final Proposal), QC 14 is substantially different to previous clusters that the ISO has sought to study during the last decade. With 373 applications totaling over 100 GW of capacity seeking interconnection, CESA agrees with the CAISO that extraordinary and exceptional measures must be taken to attain significant results from the study process and minimize the risk of additional delays. The ISO’s proposal is reasonable given the circumstances that will produce meaningful study results that inform developers on investment decisions and their bids into upcoming RFOs, where overly simplified studies or overrepresentation of generation and storage capacity could yield dubious and/or exorbitant cost upgrade results, which is not helpful to anyone.

Due to equity concerns, CESA recommends that the CAISO issue study results for all participating transmission owners (PTOs) at the same time. Especially as mid-term reliability needs are for system reliability, allowing certain PTOs with lesser workloads to publish study results earlier would disadvantage certain cluster-study projects over others. That being said, CESA would welcome additional information on the need for extended Phase 1 timelines, particularly considering the ISO recommends simplifying part of this process.

The ISO Should Adopt Measures to Minimize ISP and WDAT Delays

In alleviating the complexities related to QC 14, CESA urges the ISO to consider the differentiated impacts delays of this cluster will have on resources undergoing non-CAISO-cluster-study interconnection processes, such as the Independent Study Process (ISP) and the Wholesale Distribution Access Tariff (WDAT). As noted in the Draft Final Proposal and during the stakeholder call, the interconnection processes of resources outside QC 14 would also be affected by the revisions proposed. Notably, the delay of QC 14 and 15 would affect deliverability studies for resources seeking WDAT and ISP interconnection. Impacts on these project types should be mitigated since they are unique compared to other QC 14 projects. To attenuate these impacts, CESA offers two recommendations:

- **The ISO should consider contacting developers that have third-party consultants retained to procure their services:** In the Draft Final Proposal the ISO notes that it staffed in advance of QC 14 in an effort to ensure the timely completion of the process. Nevertheless, the ISO notes that developers did so as well, limiting the supply of consultants that could expedite the study process. CESA recommends that the ISO contact developers that have third-party consultants on retainer in a good-faith effort to shorten the Phase 1 study timeframe. This could be achieved via a simple bilateral waiver process.
- **The ISO should consider conducting deliverability assessments for WDAT and ISP resources using QC 13 information:** As CESA understands it, the need to conduct the deliverability analyses for WDAT and ISP resources in conjunction with the upcoming QC relates to the fact that these resources are expected to be part of a single cohort of incremental, deliverable projects. Considering that regardless of the WDAT and ISP processes QC 14 will be delayed, it seems reasonable to study the deliverability of projects outside QC 14 with the status quo for the next two years; that is, the conditions resultant from QC 13.

Revisions made to address QC 14 should not be adopted for all future “superclusters”

In the Draft Final Proposal, the ISO enlists a series of revisions that will be applied to the QC 14 process and notes that these would also be applied in the future for other “superclusters”, defined as those with 150 interconnection requests or more. CESA understands the need for emergency revisions considering the magnitude of QC 14; however, we do not recommend that the ISO adopt the revisions included in the Draft Final Proposals for all future clusters with 150 interconnection requests or more.

First, formally incorporating a revision of this significance after an expedited stakeholder process is not recommended. With this Draft Final Proposal, the ISO is seeking to address a complex issue within two months. While this might be enough time to find a

Issue Paper and Draft Final Proposal Comments

least-regrets solution for QC 14, it is not a reasonable timeframe to fundamentally revise the conditions that have led to and the impacts of “superclusters”.

Second, if the proposed revisions are permanently adopted, the ISO could be setting perverse incentives for developers. If the ISO were to institutionalize that, if a supercluster is triggered, the first interconnection financial security (IFS) posting refundable when Phase II interconnection studies increase the maximum cost responsibility by 25% or more, this would further incent a high number of requests. More generally, CESA requests the ISO clarify the rationale behind this particular proposal as it would clarify the validity of the 25% metric. This is a complex issue that will require stakeholder engagement and collaboration. Currently, CESA does not have a recommendation to mitigate this risk but urges the ISO to seriously consider it and welcomes feedback from other stakeholders.

Third, the ISO should recognize that the magnitude of QC 14 shows the future of interconnection within the CAISO’s footprint. As the deadlines of California’s clean energy goals approach, the interconnection process is set to be a key process to ensure their timely achievement. Simply instituting a process that could result in regular cluster delays jeopardizes the reliability of the electric grid, timely development of projects as grid needs emerge, and ultimately the attainment of climate and energy goals.

Thus, in order to avoid future “superclusters” and delays, the ISO should initiate a specialized initiative and collaborate with stakeholders to find a sustainable long-term solution rather than simply state that future superclusters will result in further delays. Said initiative will provide an opportunity to the ISO and stakeholders to consider the merits of revising the current interconnection study process, its staffing, and the costs associated to it.