

June 2, 2022

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER22-____-000**

**Tariff Amendment to Implement Interconnection Process
Enhancements**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits this tariff amendment to improve its generator interconnection process.¹ This amendment represents the tariff revisions resulting from the first phase of the CAISO’s most recent Interconnection Process Enhancements (“IPE”) stakeholder initiative. The CAISO’s proposed amendment comprises 12 distinct sets of revisions. Some are simple clarifications, while others are substantive enhancements. The instant proposed revisions are:

- A. Aligning the transmission plan deliverability allocation process with procurement
- B. Requiring projects to demonstrate site exclusivity earlier and increasing the site exclusivity deposits and non-refundable portions
- C. Enabling interconnection studies of new generation under an emergency state mandate
- D. Simplifying the downsizing process
- E. Enhancing the errors and omissions process to mitigate late changes

¹ The CAISO submits this filing pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff, and references to specific sections, articles, and appendices are references to sections, articles, and appendices in the current CAISO tariff and revised or proposed in this filing, unless otherwise indicated.

- F. Clarifying Remedial Action Scheme classification
- G. Clarifying interconnection request transfers from the participating transmission owners' wholesale distribution access tariff queues
- H. Clarifying site and point of interconnection change processes
- I. Allowing interconnection customers to make certain modifications to parked projects
- J. Clarifying the deadline for Appendix B data before Phase II studies
- K. Expanding deliverability transfer opportunities and
- L. Clarifying requirements to utilize third-party interconnection facilities

The CAISO discusses each enhancement in Section II, below. The CAISO notes that each set of revisions is separate and not dependent on the others, from both a substantive and an implementation perspective. The CAISO has filed them together because they were part of the same stakeholder process, because they represent enhancements to the generator interconnection process, and because a single filing promotes administrative efficiency.

The CAISO requests an effective date of September 1, 2022, 91 days from this filing. This effective date will allow the CAISO to implement the instant revisions in the upcoming deliverability allocation cycle and before Cluster 14 proceeds in the interconnection study process.

I. The Interconnection Process Enhancement Initiative History

California's renewable portfolio standard² and the changes in the capacity market have made it increasingly important for the CAISO to identify ways to administer its generator interconnection queue more efficiently.³ The CAISO's overriding goal has been to tailor its procedures for efficiency and equity. Because of the rapid evolution of generation development in California, achieving these goals has required the CAISO to engage in a process of continuous enhancement of its generator interconnection

² See California Public Utilities Commission, "California Renewables Portfolio Standard," available at <http://www.cpuc.ca.gov/PUC/energy/Renewables/>.

³ There were 260 projects in the interconnection queue as of September 21, 2015. As of June 1, 2022, there are 605. See <http://www.caiso.com/planning/Pages/GeneratorInterconnection/Default.aspx>.

procedures.⁴ After implementing significant generator interconnection reforms in 2008,⁵ 2010,⁶ and 2012,⁷ the CAISO launched its first IPE initiative in 2013.⁸ The 2013 IPE initiative resulted in interconnection enhancements to the CAISO tariff, business practice manuals, and procedures in 2013 and 2014.⁹ The CAISO conducted another IPE initiative in 2015 that resulted in two more sets of enhancements.¹⁰ In 2017 the CAISO conducted an expedited IPE initiative to implement two minor but critical sets of enhancements.¹¹ In 2018 the CAISO conducted another IPE initiative to examine interconnection procedures comprehensively. That effort resulted in numerous enhancements divided among four separate filings, all approved by the Commission in 2019.¹²

Faced with a 141 percent increase in interconnection requests in 2021, the

⁴ The generator interconnection process and related provisions are set forth primarily in section 25 and Appendix DD of the CAISO tariff. The interconnection procedures and *pro forma* generator interconnection agreements (“GIAs”) are generally contained in appendices S through FF to the CAISO tariff.

⁵ *California Independent System Operator Corp.*, 124 FERC ¶ 61,292 (2008) (approving revisions to move from a serial to a cluster process, and to establish project viability and developer commitment as soon as interconnection customers have an estimate of the costs of their projects).

⁶ *California Independent System Operator Corp.*, 133 FERC ¶ 61,223 (2010) (approving revisions to harmonize the CAISO’s Large Generator Interconnection Procedures (“LGIP”) with its Small Generator Interconnection Procedures (“SGIP”) by establishing integrated cluster study processes for small and large generators, and to expedite study processes for independent or otherwise adroit generators by implementing new independent study and fast track processes).

⁷ *California Independent System Operator Corp.*, 140 FERC ¶ 61,070 (2012) (approving revisions to integrate the transmission planning and generator interconnection processes).

⁸ Further background information on the IPE initiative is provided in the CAISO’s September 30, 2013 tariff amendment filing in Docket No. ER13-2484 to implement the first set of tariff revisions to enhance the generation interconnection process for interconnection customers.

⁹ See, e.g., *California Independent System Operator Corp.*, 149 FERC ¶ 61,231 (2014); *California Independent System Operator Corp.*, 148 FERC ¶ 61,077 (2014); *California Independent System Operator Corp.*, 145 FERC ¶ 61,172 (2013).

¹⁰ *California Independent System Operator Corp.*, 153 FERC ¶ 61,242 (2015); 154 FERC ¶ 61,169 (2016).

¹¹ *California Independent System Operator Corp.*, 162 FERC ¶ 61,207 (2018) (extending the deliverability parking period and reconfiguring the interconnection request window to allow more time for corrections).

¹² *California Independent System Operator Corp.*, 166 FERC ¶ 61,113 (2019); *California Independent System Operator Corp.*, 168 FERC ¶ 61,003 (2019); *California Independent System Operator Corp.*, Letter Order, Docket No. ER 19-1013-000 (April 1, 2019); *California Independent System Operator Corp.*, Letter Order, ER19-2679-000 (Oct. 18, 2019).

CAISO conducted an expedited stakeholder initiative to address the cluster 14 “supercluster.” The Commission approved the CAISO’s proposed reforms, which gave the CAISO and transmission owners the necessary time to study cluster 14 while providing interconnection customers more flexibility while in queue.¹³ Shortly after that effort, the CAISO launched the 2021 IPE initiative to implement fundamental reforms for cluster 14 and beyond. The CAISO split the 2021 IPE into two phases: the instant phase with reforms focused on upcoming deliverability allocations and reforms for customers in queue, and a second phase focused on submitting interconnection requests and managing large queues. The CAISO also has initiated a separate initiative to comprehensively examine interconnection data access.

II. Proposed Tariff Revisions

A. Deliverability Allocation Process

1. Current Allocation Process

An interconnection request includes many components: the point of interconnection, sufficient transmission capacity to deliver power reliably, construction of necessary network upgrades by the transmission owner, etc. Among these components, interconnection customers request a deliverability designation: Full Capacity Deliverability Status (“FCDS”), Partial Capacity Deliverability Status¹⁴ (“PCDS”), or Energy Only. Being designated FCDS or PCDS represents that the grid is capable of delivering the generator’s maximum capacity (or partial capacity for PCDS) to the grid under peak load conditions.¹⁵ An Energy Only designation represents that

¹³ *California Independent System Operator Corp.*, 176 FERC ¶ 61,207 (2021).

¹⁴ Partial Capacity Deliverability Status entitles a generating facility to a Net Qualifying Capacity amount that cannot be larger than a specified fraction of its Qualifying Capacity, and may be less pursuant to the assessment of its Net Qualifying Capacity by the CAISO. An Interconnection Customer requesting Partial Capacity Deliverability Status must specify the fraction of Full Capacity Deliverability Status it is seeking in its Interconnection Request.

¹⁵ *California Independent System Operator Corp.*, 124 FERC ¶ 61,292 at PP 94-112 (2008) (“For generators selecting full capacity deliverability, the maximum output of each facility can be delivered under peak conditions. Deliverability assessment(s) will be performed to determine the need for delivery network upgrades. The costs for delivery network upgrades will be assigned based on the flow impact of each generating facility on the CAISO controlled grid. In addition, an analysis for reliability impacts will be done to determine the need for reliability network upgrades”). Deliverability designations are slightly different for wind resources because their “maximum capacity” is not necessarily commensurate with their nameplate capacity (minus auxiliary load), like it is for most generators. In any case, being designated FCDS or PCDS is not a guarantee that such a generator’s energy will be delivered. All generators—regardless of designation—are subject to security-constrained economic dispatch and curtailment by the CAISO.

the generator's full output can be delivered only subject to grid conditions.¹⁶ These designations play a key role in providing Resource Adequacy Capacity in California. An FCDS or PCDS designation qualifies the generator's output to count toward a load-serving entity's monthly Resource Adequacy requirement.¹⁷ Only FCDS or PCDS generators are assigned the financing costs for Delivery Network Upgrades, which are upgrades designed to relieve transmission constraints so the resource can physically deliver its designated output.¹⁸ An Energy Only designation means the interconnection customer will not be responsible for the costs of such upgrades, but it will be ineligible to be a Resource Adequacy Resource under current rules.¹⁹

An interconnection customer's ability to receive an FCDS or PCDS designation depends on the CAISO's Transmission Plan Deliverability ("TP Deliverability" or "Deliverability") studies. Deliverability is "the capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with FCDS or PCDS of additional Generating Facilities in a specified geographic or electrical area of the CAISO Controlled Grid."²⁰

The CAISO transmission planning process identifies network upgrades based on the location and the amount of new resources anticipated to be ultimately developed in discrete geographic areas. These network upgrades will add a certain amount of transmission capacity to the grid, which will then be available to meet the deliverability requirements of proposed new generating facilities in those geographic areas.²¹ The

¹⁶ *Id.* at P 95.

¹⁷ Importantly, an FCDS designation does not entitle a generator to "firm capacity" or transmission priority to deliver energy to the grid. All generators are subject to congestion management, the CAISO's security-constrained economic dispatch, and potential curtailment conditions. In other words, an FCDS designation has no bearing on a generator's market awards or dispatch; only its eligibility to provide resource adequacy capacity.

¹⁸ See Appendix A to the CAISO tariff. Delivery Network Upgrades are different than Reliability Network Upgrades, which are the transmission facilities a generator needs to interconnect safely and reliably to the grid, regardless of its deliverability designation.

¹⁹ Appendix A to the CAISO tariff. A Resource Adequacy Resource is "A resource that is designated in a Supply Plan to provide Resource Adequacy Capacity. The criteria for determining the types of resources that are eligible to provide Qualifying Capacity may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO."

²⁰ Appendix A to the CAISO tariff.

²¹ See *California Independent System Operator Corp.*, Tariff Amendment to Integrate Transmission Planning and Generator Interconnection Procedures, Docket No. ER12-1855-000 (May 25, 2012) at p. 4.

CAISO then determines the volume of new generation in each area whose deliverability can be met by the additional grid capacity the network upgrades will provide. The CAISO then allocates the resulting MW volumes of deliverability to those proposed generating facilities in each area determined to be most viable based on specified project development milestones.²²

The CAISO currently allocates deliverability to interconnection customers in the following order:

- (1) To interconnection customers that have executed a power purchase agreement(s),²³ and to interconnection customers that are load serving entities serving their own load; then
- (2) To interconnection customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement; and then
- (3) To interconnection customers that elect to proceed without a power purchase agreement.²⁴

The CAISO first awards deliverability to interconnection customers described in group (1). If additional deliverability is available, the CAISO will allocate it to group (2), and so on. An interconnection customer in the three groups above that receives a deliverability allocation will be assigned the delivery network upgrades necessary for its generating units to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status to be eligible to provide resource adequacy capacity.

Interconnection customers electing to proceed without a power purchase agreement and seek an allocation under group three are subject to special

²² *Id.*

²³ The CAISO tariff states that all power purchase agreements must require Deliverability for the interconnection customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All load serving entities building generating facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load serving entities acting as interconnection customers are otherwise eligible for all other attestations (*i.e.*, their projects can be in any applicable group). These requirements help the CAISO ensure that only genuine power purchase agreements to fulfill regulatory mandates would trigger the construction of new delivery network upgrades designed to fulfill regulatory policies. *Id.*

²⁴ Section 8.9.2 of Appendix DD to the CAISO tariff.

requirements to ensure they cannot linger in queue with deliverability while they seek an offtaker. First, interconnection customers may attest to proceeding without a power purchase agreement only immediately after receiving their Phase II study results.²⁵ In other words, if they receive an allocation, they may not “park” as a means to stay in queue for additional time.²⁶ Second, interconnection customers that receive deliverability based upon an attestation they are proceeding without a power purchase agreement may not request suspension under their Generator Interconnection Agreement (“GIA”), delay providing their notice to proceed toward construction, or modify their commercial operation date beyond the earlier of (a) the date established in its interconnection request when it requests TP Deliverability, or (b) seven (7) years from the date the CAISO received its interconnection request.²⁷ Extensions due to transmission owner construction delays extend the latter deadlines.²⁸ All of these measures ensure interconnection customers cannot linger in queue, hoarding TP Deliverability. They also mitigate the risk of interconnection customers representing that they intend to proceed without a power purchase agreement unless they actually intend to proceed toward construction. If an interconnection customer subject to these rules fails to meet them, it will be converted to Energy Only.

Additionally, if there is available deliverability that does not require additional upgrades,²⁹ the CAISO allocates it to the following groups in the following order:

- (4) To interconnection customers that have not achieved their commercial operation date, originally requested FCDS or PCDS, and have executed a power purchase agreement(s); and to interconnection customers that have achieved their commercial operation date and have executed a power purchase agreement(s).
- (5) To interconnection customers that have not achieved their commercial operation date, originally requested FCDS or PCDS, and are actively

²⁵ Section 8.9.2.2 of Appendix DD to the CAISO tariff.

²⁶ *Id.* However, interconnection customers that receive TP Deliverability in this group may park that portion of their interconnection request that does not receive TP Deliverability. Parked portions may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection customers that receive TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.

²⁷ *Id.*; Article 5.16 of Appendix EE to the CAISO tariff.

²⁸ *Id.*

²⁹ In other words, their deliverability must result from existing transmission facilities, planned upgrades in the CAISO transmission planning process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

negotiating a power purchase agreement or on an active short list to receive a power purchase agreement; and to interconnection customers that have achieved their commercial operation date and are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.

- (6) To interconnection customers that originally requested FCDS or PCDS but achieved their commercial operation date as Energy Only.
- (7) To interconnection customers that achieved their commercial operation date.³⁰

Allocating deliverability to these groups essentially grants these projects a reprieve, but without requiring the CAISO to re-study the projects or construct new network upgrades that ultimately would be financed by ratepayers. In addition, it allows load serving entities to access generators that are already online and may be more cost-efficient than new facilities. Because of the high startup costs to interconnect to the high-voltage transmission grid, there are relatively few online generators that have interconnected to the CAISO controlled grid recently that are Energy Only. However, there are distribution-connected and older online generators that are Energy Only.

Because the interconnection customers in these latter four groups have already completed their interconnection studies, the CAISO requires them to submit study deposits of \$60,000 to cover prudently incurred study costs. The CAISO uses these funds only to analyze the availability of deliverability for these Energy Only interconnection customers.³¹

Although the CAISO's current deliverability allocation procedures work well, the CAISO and stakeholders believe certain enhancements would improve them. First, the number of groups and their descriptions can be simpler. Second, the current ranking gives deliverability to interconnection customers without power purchase agreements or even shortlisted before interconnection customers that are already online *and* have power purchase agreements. The CAISO originally expected that only the most committed projects would elect to proceed without a power purchase agreement, but that has not been the case. Developers have used this group to try to obtain deliverability and then get a power purchase agreement. It does not make sense that these customers should be ranked ahead of customers that already have power purchase agreements. Third, it is misleading to state an interconnection customer will

³⁰ *Id.*

³¹ *Id.*

“proceed without a power purchase agreement.”³² Experience demonstrates all interconnection customers ultimately need a power purchase agreement to proceed to construction. If an interconnection customer cannot demonstrate it is competitive in the capacity market, it should not retain its deliverability. This group’s restrictions also may be too lenient, allowing the interconnection customer to make Energy Only expansions or modifications that can unduly linger in queue.

2. Proposed Revisions to Allocation Processes

The CAISO proposes to consolidate its current seven allocation groups to four. To make the new groups easier to track across tariff changes, the CAISO has switched from numbered groups to lettered groups. The CAISO proposes to allocate deliverability in the following order:

- (A) To interconnection customers that have executed power purchase agreements, and to interconnection customers in the current Queue Cluster that are Load Serving Entities serving their own Load.³³
- (B) To interconnection customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C) To interconnection customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To interconnection customers electing to be subject to Section 8.9.2.3.³⁴

These allocation groups are much simpler than the previous allocation groups, and they clarify the relevant criteria for developers and offtakers. They also reorder the groups based on each project’s success in the bilateral capacity markets, and de-emphasize the project’s queue status or history. The new order also places interconnection customers that have achieved commercial operation (group C)³⁵ ahead of

³² *I.e.*, group three.

³³ “Load serving entities serving their own Load” refers to utilities acting as both load-serving entities and generation developers. This carve-out has always been CAISO policy to avoid utilities needing to execute agreements with themselves or petition the Commission for waiver to meet CAISO requirements.

³⁴ Proposed Section 8.9.2 of Appendix DD to the CAISO tariff.

³⁵ To be sure, Groups A and B also can include interconnection customers that are already online so long as they meet those groups’ criteria by having a power purchase agreement or being shortlisted.

interconnection customers that have neither achieved commercial operation nor had success in the capacity market (group D). This reorder reflects that interconnection customers already online are likely to be more valuable to offtakers and ratepayers because they can immediately provide deliverable generation to load-serving entities. This allocation order better aligns deliverability allocations with the procurement of deliverable generation, thereby ensuring ratepayers are more likely to receive the benefit of their bargain, and sooner.

The CAISO also proposes to revise the “proceeding without a power purchase agreement” into the new group D.³⁶ The CAISO originally proposed to eliminate the group entirely; however, stakeholders maintained that offtakers may wait to procure resources until they have a deliverability allocation. Without an allocation group that does not require some demonstration of capacity market success, would-be competitive projects cannot obtain the deliverability enabling them to compete. As such, the CAISO believes it is prudent to maintain such an allocation group. However, the CAISO proposes to allocate deliverability to these interconnection customers last, restrict them from unduly lingering in queue, and require them to demonstrate competitive success in the marketplace sooner.

Similar to former group three, group D interconnection customers may not request suspension, delay providing notices to proceed, or delay commercial operation.³⁷ Interconnection customers that fail to meet these requirements will be withdrawn.³⁸ Additionally, the CAISO has included a provision stating that if the interconnection customer receives its entire deliverability allocation under group D, it

In any case, very few interconnection customers have proceeded to commercial operation without deliverability in the past decade.

³⁶ Because customers in queue have previously selected group three and are still subject to its requirements, the CAISO has preserved Section 8.9.2.2 but revised the language slightly to clarify no further interconnection customers can be subject to its requirements. (Essentially the CAISO has revised the verbiage to be past-tense).

³⁷ Proposed Section 8.9.2.3 of Appendix DD to the CAISO tariff. Transmission owner construction delays will continue to extend any deadline. Likewise, if an interconnection customer later receives a power purchase agreement, it is no longer subject to these requirements and can extend its milestones to align with the power purchase agreement. The CAISO also proposes to slightly revise language in Section 6.7.4 of Appendix DD to the CAISO tariff to clarify the same policy applies there, namely, commercial viability criteria only apply to applicable modifications requested by the Interconnection Customer (and not modifications *required* due to transmission owner construction delays). This has always been CAISO policy, but stakeholders requested slight revisions to this language to make it more express.

³⁸ *Id.*

must accept the allocation or withdraw.³⁹ Together, these requirements will continue to ensure projects do not linger in queue if they are not viable. The requirements also ensure only committed projects seek deliverability from this group in the first place.⁴⁰

The CAISO has included clarifications that the group D restrictions apply to the entire interconnection request, including present or future Energy Only portions.⁴¹ The CAISO has observed that interconnection customers were often able to circumvent the former group three restrictions and linger in queue by expanding or modifying their requests to include Energy Only portions. The Energy Only portions could delay their own milestones while the developer marketed both the Energy Only portions and the FCDS portions. Once either received a power purchase agreement, the developer would re-align the project's milestones with the power purchase agreement, and transfer deliverability among its generating units as needed. To close this loophole, the CAISO has revised the group D restrictions to apply to the entire generating facility. Together these requirements mitigate the risk that deliverability allocations stall in queue.

Nevertheless, the CAISO recognizes that once an interconnection customer has a power purchase agreement for deliverable generation, the interconnection customer has no incentive to linger in queue or do anything that would jeopardize its success. As such, the CAISO proposes to include a tariff provision stating that any portion of the generating facility procured by a power purchase agreement would no longer be subject to the group D restrictions.⁴²

The CAISO proposes to maintain its existing policy that interconnection customers cannot trigger new delivery network upgrades after they have converted to

³⁹ In other words, the interconnection customer cannot park if it receives all the deliverability it requested. This prevents developers from disingenuously seeking a deliverability allocation just to park and have more time to market their project.

⁴⁰ For interconnection customers that receive deliverability from group D, the CAISO also has proposed retention requirements, as explained in the next section.

⁴¹ However, the CAISO has included a clarification that for Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D. This ensures the group D restrictions do not apply retroactively to portions that made other elections in the past.

⁴² If the power purchase agreement does not extend to the whole generating facility, the unprocured capacity or units would remain subject to the group D restrictions. This frequently can occur when a hybrid project is only able to receive a power purchase agreement for one technology but not the other, or when the power purchase agreement is for less capacity than the entire generating facility.

Energy Only.⁴³ Interconnection customers are not considered Energy Only until they have exhausted their opportunities to seek deliverability and park or otherwise elect to be Energy Only. If they re-seek deliverability,⁴⁴ they can only obtain it from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or any surplus from upgrades assigned to an interconnection project that has an executed GIA and currently has a deliverability allocation.⁴⁵ They also receive deliverability after the FCDS and PCDS interconnection customers within their allocation group.⁴⁶ As the CAISO explained when it established the process for Energy Only capacity to re-seek deliverability, this process allows developers to re-seek deliverability if they still believe their project is competitive, but without requiring the CAISO to re-study the projects or construct new network upgrades.⁴⁷ In addition, it allows load serving entities to access Energy Only generators that are already online.⁴⁸ The CAISO has preserved all of these policies but clarified they apply to Energy Only generating units rather than the former groups four through seven.

The CAISO also proposes that beginning with the 2023-2024 deliverability allocation process, interconnection customers may not seek deliverability through group

⁴³ Proposed Section 8.9.2 of Appendix DD to the CAISO tariff. Previously this provision stated that only groups 1-3 could trigger new delivery network upgrades. The CAISO's proposed revisions achieve the same result for the same reasons but the provision is now more clear in both its application and purpose.

⁴⁴ Or seek it for a behind-the-meter expansion or modification effected after the original generating facility became Energy Only. The CAISO has included clarifying tariff language to this effect. These clarifications are prudent due to the proliferation of hybrid projects and how many projects in queue will add storage components through modifications while in queue.

⁴⁵ Section 8.9.2 of Appendix DD to the CAISO tariff currently states the same, but the CAISO has moved the language up within the section and reworded it slightly for clarity. The CAISO also has added language in Section 8.9.2 to clarify that these provisions only apply to the Energy Only capacity, not the entire interconnection customer. Frequently interconnection customers have some deliverable capacity and some Energy Only capacity, and the revised language clarifies this. This combination of deliverability is also captured as PCDS.

⁴⁶ *Id.*

⁴⁷ The CAISO will continue to require interconnection customers to submit study deposits of \$60,000 to cover prudently incurred study costs. The CAISO uses these funds to analyze the availability of TP Deliverability for these Energy Only generating units.

⁴⁸ Because of the high startup costs to interconnect to the high-voltage transmission grid, there are relatively few online generators that have interconnected to the CAISO controlled grid recently that are Energy Only. However, there are distribution-connected and older online generators that are Energy Only. It is prudent to allow load serving entities to select among these generators to provide resource adequacy capacity where the generating unit has obtained TP Deliverability through the allocation process.

D for any capacity that is already Energy Only.⁴⁹ This will allow currently queued customers with Energy Only capacity to apply for deliverability through group D in the next allocation cycle, but then phase-out that option. The CAISO and stakeholders believe this phase-out is fair and prudent. It gives customers in queue one last opportunity to seek deliverability for Energy Only capacity that has neither secured a power purchase agreement or become shortlisted, but it preserves the intent of group D for future interconnection customers. The CAISO and stakeholders believe interconnection customers should select group D early in the study process to mitigate the risk that customers unduly linger in queue.

With the retention revisions discussed in the next section, the Commission should find these revisions to the CAISO's deliverability allocation process as just and reasonable.⁵⁰ The CAISO's proposed deliverability allocation process simplifies administrative procedures for interconnection customers and the CAISO, and better aligns deliverability allocations with deliverability procurement. The CAISO's proposed group D also provides interconnection customers with the flexibility to demonstrate their commitment to progressing in queue to receive deliverability, while preventing unused deliverability from lingering in queue. Stakeholders generally supported the CAISO's proposed revisions.

3. Current Deliverability Retention and Parking Process

Once interconnection customers receive TP Deliverability, they must submit an annual affidavit stating that they continue to meet TP Deliverability milestones.⁵¹ The current retention criteria are:

- (1) The Generating Facility is in good standing with respect to the criteria on which the allocation of TP Deliverability was based;
- (2) If the Generating Facility received TP Deliverability on the basis of having executed a power purchase agreement, it must have received regulatory approval of that agreement;
- (3) If the Generating Facility received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by November 30 of the year it received TP Deliverability. It must then comply with criterion 8.9.3(2) the following year;

⁴⁹ *Id.* This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. Energy Only capacity would still be ineligible to trigger new delivery network upgrades through group D.

⁵⁰ *I.e.*, these two sets of tariff revisions are interrelated and are not severable.

⁵¹ Section 8.9.3 of Appendix DD to the CAISO tariff.

- (4) If the interconnection customer has executed a GIA, it must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the interconnection customer with a Notice of Breach of the GIA that has not been cured and the interconnection customer has not commenced curative actions;
- (5) The interconnection customer must maintain its Commercial Operation Date set forth in the GIA unless an extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO's construction of any Network Upgrades or Participating TO's Interconnection Facilities.⁵²

If an interconnection customer fails to satisfy any of these criteria, it loses its deliverability allocation and becomes Energy Only.⁵³ Where an interconnection customer's request consists of multiple generating units, each generating unit can receive, retain, or lose a deliverability allocation individually.

Interconnection customers that do not initially receive a deliverability allocation have the option to "park" the project for one or two years, convert their projects to Energy Only, or withdraw their interconnection requests.⁵⁴ Interconnection customers that park may re-seek deliverability with the next queue cluster based on their current status. For example, in its first allocation cycle, a project may be on a shortlist for a power purchase agreement, and not receive any deliverability. It thus elects to park its project until next year's cycle. If it has executed a power purchase agreement, and it attests to having done so in its affidavit, it will have a better chance at receiving deliverability as a result. Some interconnection customers also may park one additional year (two total) where deliverability is still available in its area and they have not been assigned network upgrades needed by other interconnection customers.⁵⁵

The CAISO's deliverability retention requirements have been in place for many years, and in that time very few interconnection customers have failed to retain their deliverability due to the retention requirements. The few that have lost deliverability generally failed to obtain an executed power purchase agreement after being

⁵² *Id.*

⁵³ Section 8.9.7 of Appendix DD to the CAISO tariff.

⁵⁴ Section 8.9.4 of Appendix DD to the CAISO tariff.

⁵⁵ Section 8.9.4.1 of Appendix DD to the CAISO tariff (an interconnection customer may park the additional year even if it has been assigned network upgrades needed by other interconnection customers if those other interconnection customers also elect to park).

shortlisted. More problematically, the requirement to receive regulatory approval of a power purchase agreement within a year can result in false positives. The proliferation of community choice aggregators has led to a corresponding proliferation in new local regulatory authorities, many of which understandably struggle to provide final approval to power purchase agreements within a year because these processes are entirely new to them. Finally, the CAISO's commercial viability criteria has proven to be a more effective tool in ensuring interconnection customers with deliverability progress in queue, obviating the need for many of the retention criteria.⁵⁶

4. Proposed Revisions to Deliverability Retention Rules

The CAISO proposes to simplify the deliverability retention rules based on its years of experience enforcing the current retention rules. Essentially, the CAISO proposes to remove all retention requirements except the two that have mattered in the past: becoming shortlisted for a power purchase agreement and then securing a power purchase agreement for deliverable generation.⁵⁷ These two retention criteria also are the most concrete steps that demonstrate the interconnection customer's viability and potential to benefit the ratepayers that pay for delivery network upgrades.

As such, to retain a deliverability allocation, interconnection customers that received deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement by the following year.⁵⁸ Interconnection customers that received deliverability from group D must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement by the following year. If they retain their deliverability in the first year by demonstrating they are actively negotiating or shortlisted for a power purchase agreement, the interconnection customer must demonstrate they executed the power purchase

⁵⁶ Section 6.7.4 of Appendix DD to the CAISO tariff.

⁵⁷ Proposed Section 8.9.3 of Appendix DD to the CAISO tariff.

⁵⁸ *Id.* The CAISO issues a market notice each year announcing when all deliverability information is due, including allocation group selections and retention documentation. Generally the due date occurs in the first week of December. See Section 8.9 of Appendix DD to the CAISO tariff. Proposed Section 8.9.3 refers to this deadline for each interconnection customer to provide its retention documentation. Shortlisted interconnection customers generally provide request-for-offer results or communications with the load-serving entity as proof, and interconnection customers with power purchase agreements generally provide copies of the executed power purchase agreements with load-serving entities (redacting confidential financial figures if desired). If any documentation is ambiguous or unclear, the CAISO may reach out to the potential offtaker for clarification.

agreement in the following year.⁵⁹ To the extent interconnection customers cannot meet these retention criteria, they lose their deliverability for that capacity.⁶⁰

The CAISO thus proposes to remove its other current retention criteria. First, the CAISO will no longer require interconnection customers with power purchase agreements to demonstrate regulatory approval within a year. Based on the CAISO's experience, this criterion is unnecessary and can result in false positives due to the proliferation of new load-serving entities and new regulatory authorities and processes.⁶¹

Second, the CAISO proposes to stop requiring interconnection customers to provide affidavits attesting to their "good standing with respect to the criteria on which the allocation of TP Deliverability was based."⁶² This was a vague requirement interconnection customers could easily meet, and therefore was more of an administrative compliance burden than a useful retention criterion. Third, the CAISO proposes to remove the restriction that interconnection customers must be in good standing with their GIAs to retain deliverability.⁶³ This criterion has not been meaningful for deliverability retention,⁶⁴ and the CAISO has a number of other mechanisms to address GIA breaches with interconnection customers and the CAISO has a number of other mechanisms to address GIA breaches with interconnection customers. Fourth, the CAISO proposes to remove the requirement that interconnection customers maintain their commercial operation date.⁶⁵ Generally interconnection customers with power purchase agreements only change their construction and operation dates to align

⁵⁹ Essentially this gives group D interconnection customers with deliverability one year to become shortlisted and, if successful, one year to execute a power purchase agreement.

⁶⁰ This is existing policy, although the CAISO has moved this sentence up for clarity within Section 8.9.3: "To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only." For example, if a 100 MW resource must demonstrate it has a power purchase agreement, but it only has a power purchase agreement for 90 MW, it would only lose deliverability for 10 MW of its capacity. The CAISO also has corrected a capital "Allocation" that should be "allocation."

⁶¹ For example, some agreements do not require express regulatory approval, while others may face lengthy processes simply because the local regulatory authority is new and has not established processes for reviewing agreements. In any case, the risk an executed power purchase agreement is rejected by the local regulatory authority is low, and therefore the criterion is not useful.

⁶² Proposed Section 8.9.3 of Appendix DD to the CAISO tariff.

⁶³ *Id.*

⁶⁴ It rarely, if ever, has impacted a customer's ability to retain deliverability.

⁶⁵ *Id.*

with their power purchase agreements, which the CAISO already allows as an exception to the retention rules.⁶⁶ Because interconnection customers must quickly demonstrate they have power purchase agreements to retain deliverability, the commercial operation date requirement is unnecessary. Similarly, the group D restrictions apply even stricter requirements for maintaining the commercial operation date until the interconnection customer has a power purchase agreement.

Additionally, the CAISO proposes to clarify that Section 8.9.2.3 of the GIDAP applies to interconnection customers that retain deliverability through obtaining a power purchase agreement.⁶⁷ This section gives interconnection customers certain rights if they lose their power purchase agreements through no fault of their own. The current language only speaks to interconnection customers that originally received deliverability by having a power purchase agreement, but it should also apply to interconnection customers that receive deliverability without a power purchase agreement but later retain deliverability with a power purchase agreement, such as through group D.⁶⁸

The CAISO also proposes to remove all retention criteria for pre-cluster 10 projects.⁶⁹ At this point all shortlisted projects have obtained power purchase agreements or failed to retain deliverability. As described above, all other criteria are unlikely to matter and therefore only create administrative burdens for the CAISO and interconnection customers. Removing their restrictions also ensures a level playing field with later-queued customers.

The Commission should approve these tariff revisions as just and reasonable. They significantly reduce administrative burdens for interconnection customers and the CAISO. The CAISO's proposed revisions are based on years of experience in enforcing the retention criteria. These narrower criteria will provide more meaningful results and help ensure interconnection customers that receive deliverability allocations ultimately provide deliverable energy to the ratepayers who pay for delivery network upgrades. Stakeholders generally supported the CAISO's proposed revisions.

B. Site Exclusivity

1. Current Process

⁶⁶ See Sections 6.7.5 and 8.9.2.2 of Appendix DD to the CAISO tariff.

⁶⁷ Proposed 8.9.2.3 of Appendix DD to the CAISO tariff.

⁶⁸ The CAISO also has cleaned up some of the verbiage for parallel structure.

⁶⁹ Proposed Section 8.9.3.1 of Appendix DD to the CAISO tariff.

As part of an interconnection customer's interconnection request, the customer must demonstrate that it has "site exclusivity," referring to possessing the necessary property rights to construct and operate a generator.⁷⁰ Developers can demonstrate site exclusivity through options, leases, or purchases for private land, and the applicable permits for public areas. Interconnection customers can also submit financial deposits *in lieu* of site exclusivity up until construction.⁷¹ This requirement is intended to ensure developers reasonably believe they can secure the rights for the project given the complexity of land use for generation development and thus have a higher likelihood of success. The current deposit amount is \$100,000 for small generators (20 MW and below) and \$250,000 for large generators (greater than 20 MW).⁷² These site exclusivity deposits are refundable upon demonstrating actual site exclusivity or upon withdrawal from the queue.⁷³

Though these requirements were originally intended to provide certainty to the CAISO about the site exclusivity status of projects, the reality is that the low amounts and lack of any of the financial deposit being at risk provide little to no certainty to the CAISO about the commercial viability of the projects. This results in projects being studied that have a high probability of withdrawal due to land use issues at the proposed site.

2. Proposed Revisions

The CAISO proposes several changes to the site exclusivity provisions of the tariff to confirm projects in the queue intend to meet the site exclusivity requirements and to recognize the changing nature of permitting for projects on public lands.

a. Site Exclusivity Deposit

The CAISO's proposed changes to the site exclusivity deposit process seek to ensure the CAISO does not expend its limited resources on projects that interconnection customers may believe have a low likelihood of securing necessary property rights. The CAISO seeks to require interconnection customers to withdraw projects prior to entering the Phase II Study Process if they lack actual site exclusivity. Site exclusivity, an element of a project that is not dependent on grid conditions and details revealed as part of the interconnection process, must be addressed by the interconnection customers as early as possible, as ultimately failed site exclusivity always leads to a failed project. The CAISO's proposed tariff amendments will produce

⁷⁰ Section 3.5.1(iii) of Appendix DD to the CAISO tariff.

⁷¹ Section 3.5.1.3 of Appendix DD to the CAISO tariff.

⁷² *Id.*

⁷³ *Id.*

a more manageable queue, more accurate studies, and a higher percentage of viable projects in the Phase II study.

First, the CAISO proposes to increase the existing site exclusivity deposit requirement. Beginning with Cluster 15 and beyond, interconnection customers that wish to post a deposit *in lieu* of demonstrating site exclusivity with their interconnection request will be required to post \$250,000 for small generators (20 MW and below) and \$500,000 for large generators (greater than 20 MW).

Second, the CAISO proposes to make fifty percent of the deposit non-refundable, starting thirty days after the initial Scoping Meeting,⁷⁴ in the case that the customer withdraws before demonstrating site exclusivity.⁷⁵ This time period will allow a customer to make an initial assessment of the viability of the project through the Scoping Meeting without impacting its ability to receive a refund of its full deposit before receiving that information. Regardless of the time at which it occurs, any interconnection customer with a deposit will continue to receive a full refund, including interest, upon demonstrating actual site exclusivity.⁷⁶ The CAISO continues to view this deposit as an avenue for interconnection customers to utilize a longer negotiating timeframe for site exclusivity while demonstrating a commitment to securing the necessary rights; thus, the CAISO does not seek to penalize projects that ultimately make the demonstration.

Third, the CAISO proposes to require a demonstration of actual site exclusivity to be eligible to continue with the Phase II study.⁷⁷ Under the proposed tariff provision, interconnection customers must demonstrate site exclusivity for the Generating Facility at least ten Business Days prior to the date the initial Interconnection Financial Security posting is required. Interconnection customers that fail to demonstrate site exclusivity prior to this deadline will be deemed withdrawn.

Any non-refundable site exclusivity deposits that are retained by the CAISO upon a project's withdrawal will be used to offset the annual reassessment study costs for customers remaining in the queue, on a prorated basis.⁷⁸ Any remaining deposits will

⁷⁴ Under the CAISO's study process, the individual Scoping Meetings takes place following the close of the cluster application window, but no later than June 30. The purposes of these meetings is to "discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information." Section 6.1.2 of Appendix DD to the CAISO tariff.

⁷⁵ Proposed Section 3.5.1.3 of Appendix DD to the CAISO tariff.

⁷⁶ Proposed Section 3.5.1.3 of Appendix DD to the CAISO tariff.

⁷⁷ *Id.*

⁷⁸ Proposed Sections 3.5.1.2, 7.6(f), and 16.1(l) of Appendix DD to the CAISO tariff.

be disbursed under the existing tariff procedures in Section 7.6(c) of Appendix DD of the CAISO tariff. This process will take advantage of existing tariff processes for other retained fee disbursements.

The CAISO also includes a transition period for cluster 14 that allows interconnection customers with deposits to enter the Phase II study, but it incentivizes them to demonstrate site exclusivity by retaining all (100%) of their site exclusivity deposit should the customer withdraw after Phase II. Doing so allows these projects to proceed under the current rules as was reasonably expected, but without allowing the site exclusivity deposit to be an opportunity to avoid the demonstration for non-viable projects.

The Commission should approve these tariff revisions as just and reasonable. These targeted changes seek to increase the accuracy of the study process by ensuring interconnection customers reasonably believe their projects in the Phase I study receive site exclusivity and to ensure that projects in the Phase II study do have this critical element for the commercial viability of the project. No stakeholders ultimately opposed the proposal, as it is generally understood that site exclusivity is a meaningful metric to demonstrate commitment to the interconnection process.⁷⁹

b. Site Exclusivity on Public Sites Definition

The CAISO also proposes minor changes to the definition of site exclusivity, removing some qualifying language related to the requirements under public sites.⁸⁰ These changes reflect the complexity of permitting on public lands and are not intended to relax the site exclusivity requirements. Specifically, the CAISO proposes to remove reference to the Bureau of Land Management, recognizing other agencies may be involved in permitting or licensing in the future; and removing language regarding a final, non-appealable nature of a permit, recognizing that such permitting processes may vary and such a definitive nature may not be possible.⁸¹ As the CAISO will begin to see offshore wind applications as well, the CAISO proposes to remove case-specific language in the tariff. The CAISO intends to include examples of how interconnection customers can demonstrate site exclusivity, including on public land, in its business practice manual.⁸² The CAISO would also specify in the tariff that it will include current,

⁷⁹ See, e.g., Comments of Golden State Clean Energy and Comments of Upstream Clean Energy on Draft Final Proposal – Phase 1, available at <https://stakeholdercenter.caiso.com/Comments/AllComments/c544f3b8-cc88-4cb9-8eab-0d954017ac94>.

⁸⁰ The tariff currently refers to “a final, non-appealable permit, license, or other right.” Appendix A to the CAISO Tariff.

⁸¹ Proposed revision to Appendix A to the CAISO tariff.

⁸² Proposed Section 3.5.1 of Appendix DD to the CAISO tariff.

known requirements for certain use cases in the business practice manual. This approach will provide the CAISO and interconnection customers with flexibility to meet public land requirements without the risk of needing to change the tariff frequently to match public land requirements.

Stakeholders generally supported these tariff amendments. These proposed revisions are just and reasonable because the approach will allow for flexibility as permitting processes may change at various agencies and new technologies require new processes, and the proposed revisions should thus be approved as such.

C. Enabling Interconnection Studies of New Generation under an Emergency State Mandate

1. Current Process

On July 30, 2021, California Governor Gavin Newsom issued an emergency proclamation authorizing various measures to mitigate the “significant demand and strain on California's energy grid.”⁸³ These measures enabled the California Energy Commission (“CEC”) and the California Department of Water Resources (“CDWR”) to begin deploying several mobile, modular gas turbine generators. CDWR contacted site owners and worked diligently with the CAISO and its participating transmission owners to find potential sites where these units could interconnect in time to help mitigate potential grid issues this summer. All parties worked rapidly to identify, study, and model the potential interconnections determined feasible for implementation in September 2021.

During this process, the CAISO petitioned the Commission for waiver of its interconnection procedures to rapidly study and interconnect the new emergency generating units.⁸⁴ The Commission found the CAISO’s petition met the criteria for granting a waiver,⁸⁵ and the CAISO was able to rely on the new emergency generation during peak conditions in 2021. The Commission also “encouraged CAISO to make every effort to avoid the need for similar waiver requests in the future.”⁸⁶

The CAISO is working with developers, regulators, and utilities to avoid needing emergency generation in the future. Nevertheless, the CAISO and stakeholders

⁸³ <https://www.gov.ca.gov/wp-content/uploads/2021/07/Energy-Emergency-Proc-7-30-21.pdf>.

⁸⁴ *California Independent System Operator Corp.*, 176 FERC ¶ 61,159 (2021).

⁸⁵ *Id.*

⁸⁶ *Id.* at P 21 n. 23.

recognize the need for a permanent, transparent, and tariff-based emergency interconnection study process to avoid the need for future petitions for waiver should the need ever occur again.

2. Proposed Revisions

The CAISO proposes to implement an emergency interconnection study process based on the strict criteria it used in 2021.⁸⁷ These criteria help ensure parties do not use this process except in the very narrow circumstances where it is necessary. They also help ensure emergency interconnections do not negatively impact any existing customer in queue. The CAISO proposes to conduct expedited studies to approve emergency interconnections only when all of the following conditions are satisfied:⁸⁸

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis.

Criterion (a) limits the use of emergency interconnection study process to only those rare instances where the California Governor has called for special, expedited measures due to an emergency and outside of the normal procurement practices. The CAISO believes its cluster study, fast track, independent study, modification, and repowering processes are sufficient for anything except these rare cases. Relying on the normal interconnection processes for anything but true emergency procurement ensures fairness in queue.

- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;

Criterion (b) restricts who can apply to use the emergency interconnection process: only California agencies acting on behalf of the state. This criterion also means the CAISO will not select or procure emergency generation, nor will developers apply to the CAISO to be potential emergency generators. Criterion (b) also excludes other local regulators such as counties, municipalities, or community choice aggregators from using the emergency interconnection process to interconnect new generation. Criterion (b) thus limits who can select potential sites for emergency interconnections to those agencies with experience and authority to effect the Governor's emergency declaration. Criterion (b) also reiterates the generation must be for the emergency declaration specifically, and thus outside of conventional procurement.

⁸⁷ Proposed Section 3.10 of Appendix DD to the CAISO tariff.

⁸⁸ *Id.*

- (c) The interconnection would not have a negative impact on the cost or timing of any existing interconnection request unless the impacted interconnection request belongs to the same developer and the developer consents to the impact;

Although the emergency interconnection study process will become a tariff-based process, the CAISO's intent is to treat it as similar as possible to a waiver of normal interconnection procedures. To that end, criterion (c) mirrors the Commission's waiver criteria to ensure that emergency interconnections cannot negatively impact the cost or timing of any other project in queue.

- (d) The interconnection does not require network upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO website;⁸⁹
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;

Criterion (d) and criterion (e) help ensure those sites and generators selected to mitigate emergencies actually require the emergency interconnection process and can be constructed quickly enough to actually mitigate the emergency. Projects that would take longer and require more substantial network upgrades would be more appropriate for the other interconnection processes. The CAISO has included an inflation factor for the \$1 million network upgrade cost cap. This provision is consistent with the other cost caps in the CAISO's interconnection procedures,⁹⁰ and will ensure the cap is still relevant if these procedures are unused for many years. The CAISO based the \$1 million cap on the network upgrades necessary for the installation of previous emergency generators.

- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The interconnection customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAP and supplanting the emergency GIA or amendment;

⁸⁹ Pursuant to the existing tariff provision for inflation factors, Section 6.4 of Appendix DD to the CAISO tariff.

⁹⁰ See Section 14.3.2.1 of Appendix DD to the CAISO tariff.

Criterion (f) helps ensure interconnection customers use the conventional interconnection procedures for indefinite interconnections and the emergency procedures only for emergencies. Again, the CAISO's intent is to treat the emergency interconnection process similar to a waiver of normal procedures. The three-year limitation mirrors the Commission's waiver criteria by making the emergency interconnection service temporary.⁹¹ If the developer desires indefinite service, three years is sufficient to use the CAISO's other interconnection procedures to obtain it.

- (g) The emergency interconnection will be ineligible for delivery network upgrades or a deliverability allocation except Interim Deliverability,⁹² or until it can obtain deliverability by submitting a subsequent interconnection request;

Criterion (g) helps prevent emergency interconnections from negatively impacting other interconnection customers by taking their deliverability or "jumping the queue" by triggering their own delivery network upgrades outside of the normal deliverability allocation procedures. Other interconnection customers effectively maintain their *status quo* for deliverability. At the same time, criterion (g) allows emergency generators to obtain interim deliverability status so offtakers can include the generation in their capacity portfolios if it is deliverable. Interim deliverability status is available to all online generators where there is sufficient deliverability, so long as the interconnection customers that triggered the delivery network upgrades are not completely online yet.⁹³ Once they are, they receive the benefit of the delivery network upgrades they financed, and the CAISO removes interim deliverability from other interconnection customers. This gives everyone the benefit of their bargain and promotes fairness while also ensuring available deliverability goes to use in the interim.

- (h) The emergency interconnection will not impact Affected Systems;

Criterion (h) likewise ensures emergency interconnections do not harm other parties. Consistent with Order No. 2003, the CAISO cannot allow generators to synchronize to the grid where they will negatively impact the reliability of affected systems, and criterion (h) reiterates that rule.

⁹¹ See *California Independent System Operator Corp.*, 176 FERC ¶ 61,159 at P 21 (2021) ("we find that the waiver is limited in scope because it applies only to two generating units (and all but 10.8 MW of the capacity of these units can be accommodated using existing interconnection service capacity) for a limited period of time (*i.e.*, three years)").

⁹² Section 4.6 of Appendix DD to the CAISO tariff.

⁹³ *Id.* (Essentially the CAISO is not proposing any changes to interim deliverability.)

- (i) The expedited studies confirm the interconnection may mitigate the emergency

Criterion (i) helps ensure an emergency interconnection may actually help mitigate the emergency. If the CAISO and transmission owner's studies demonstrate the interconnection would not alleviate the emergency,⁹⁴ the interconnection should not go forward using this process.⁹⁵ This criterion also helps ensure parties do not try to take advantage of the emergency interconnection process for unrelated development or procurement.

Together these criteria maintain the fairness of conventional interconnection procedures, ensure parties do not seek to abuse the emergency interconnection process, and ensure emergency interconnections do not harm other interconnection customers.

The CAISO proposes that interconnection customers using the emergency interconnection study process would submit a study deposit of \$50,000 and all necessary technical information.⁹⁶ The CAISO based this deposit amount on its existing repower request deposit. Based on the CAISO's experience with previous emergency studies, the CAISO anticipates the same level of study costs, and it will refund any unused deposit funds.

Once the CAISO has received the study deposit and technical information, the CAISO and transmission owner will conduct all necessary studies (including verifying the interconnection meets the eligibility criteria), publish study results, and tender a draft GIA or amendment to the interconnection customer.⁹⁷ The CAISO has not proposed including any express study timelines for this process. Based on the CAISO's experience in 2021, the CAISO anticipates that all parties will conduct necessary work as expeditiously as possible. Requiring specific deadlines is unnecessary and would create compliance obligations that may constrain the parties.

⁹⁴ *E.g.*, if the emergency requires deliverable capacity to a certain load center during certain hours, and the studies demonstrate the generator's energy would not be deliverable, the interconnection should not go forward.

⁹⁵ *I.e.*, the studies would conclude and the emergency interconnection would be rejected. The developer would instead use other interconnection procedures if it wished to pursue the interconnection.

⁹⁶ Proposed Section 3.10 of Appendix DD to the CAISO tariff. The CAISO has included boilerplate language regarding invoices and refunds based on Section 25.5.3 of the CAISO tariff for modifications.

⁹⁷ *Id.* The CAISO would tender an amendment if the interconnection customer had an existing GIA and was modifying or adding capacity.

Although the CAISO hopes not to need the emergency interconnection study process,⁹⁸ having it memorialized in the tariff avoids an *ad-hoc*, opaque process that would require further waivers from the CAISO tariff. The CAISO's proposal provides strict criteria to avoid discriminatory or inequitable results while providing parties the flexibility to study expedited interconnections in future legitimate emergencies. Stakeholders generally supported the CAISO's proposed revisions and its protections against queue jumping. The Commission should approve the CAISO's proposal as just and reasonable.

D. Simplifying the downsizing process

1. Current Process

In 2012, the CAISO filed a tariff amendment to provide a one-time opportunity for certain interconnection customers to downsize or "right-size" their projects.⁹⁹ This one-time opportunity facilitated the completion of projects that otherwise would not have been economic because the projects received financing or a power purchase agreement for only a portion of the capacity originally anticipated in the interconnection request.¹⁰⁰ During the 2013 IPE Initiative, stakeholders requested that this one-time downsizing opportunity expand into an annual process. The CAISO agreed, and the Commission approved the resulting tariff amendments in 2014.¹⁰¹ The CAISO believed its annual downsizing process would "promote the completion and commercial operation of projects that would be viable if not for an inability to construct the full generating capacities stated in the customers' interconnection requests."¹⁰² The CAISO also believed the process would "provide a balanced approach to eliminating non-viable interconnection requests from the CAISO queue while protecting non-downsizing generators from any harm resulting from the downsizing."¹⁰³ Believing the downsizing process would be popular, the CAISO implemented a host of unique tariff provisions for downsizing, including among other revisions, a special downsizing request window, downsizing agreement, downsizing study deposit, and several tariff terms for

⁹⁸ In 2021 the CAISO's other interconnection processes, for example, were able to accommodate 49.2 of the 60 MW of emergency generation. The CAISO anticipates that modification and repowering requests will continue to be the best vehicles for emergency generation in the future.

⁹⁹ See *California Independent System Operator Corp.*, 141 FERC ¶ 61,219 at P 1 (2012). The CAISO tariff already provided the ability to downsize projects, but only under certain circumstances.

¹⁰⁰ *Id.* at PP 1-2.

¹⁰¹ *California Independent System Operator Corp.*, 148 FERC ¶ 61,077.

¹⁰² *Id.* at P 6.

¹⁰³ *Id.*

downsizing mechanisms.

The CAISO studies downsizing requests in its annual reassessment.¹⁰⁴ The reassessment is the CAISO's mechanism to study withdrawals, schedule changes, and errors and omissions holistically, thereby providing all customers in queue with any study changes simultaneously and only once per year. The annual reassessment avoids serial restudies and greatly improves the efficiency of the study process for the CAISO, transmission owners, and interconnection customers. In the reassessment, the CAISO determines the extent to which it can minimize the network upgrades still required for the downsizing customer and the other customers sharing or relying on the same upgrades. The downsizing generator must continue to finance its original share of the costs of these upgrades, or all interconnection customers would linger in queue to attempt downsizing before withdrawing to reduce their withdrawal costs.¹⁰⁵ Generally, however, the downsizing generator is able to reduce its network upgrade costs (and other customers' costs as well) because the CAISO can reduce the network upgrades required for a smaller generator.

In the eight years since implementation, the CAISO has received very few downsizing requests. Rather than downsize, most interconnection customers modify their projects in other ways, maintain their *status quo*, or withdraw. As such, the tariff provisions, administrative procedures, and overall bureaucracy of the downsizing process are disproportionate to its use.

2. Proposed Revisions

To help interconnection customers downsize more efficiently, the CAISO proposes to reduce the downsizing rules and procedures substantially. Experience has demonstrated the CAISO does not need separate, unique procedures for downsizing requests. Instead, the CAISO proposes that interconnection customers seeking to downsize simply submit a material modification assessment request (similar to virtually all other modifications).¹⁰⁶ The CAISO also proposes to remove all unique documentation requirements and the \$60,000 deposit for downsizing. Instead, interconnection customers will simply meet the material modification assessment request requirements, including the \$10,000 deposit.¹⁰⁷

¹⁰⁴ Section 6.7.2.3 of Appendix DD to the CAISO tariff.

¹⁰⁵ See Section 7.5.11 of Appendix DD to the CAISO tariff.

¹⁰⁶ Proposed Section 6.7.2.7 of Appendix DD to the CAISO tariff.

¹⁰⁷ *Id.* Removed tariff language is discussed below. The CAISO also proposes to process and refund the deposit like other modification requests, and therefore proposes to delete Section 3.5.1.2(1)

The CAISO still may be unable to determine the impact of every downsizing request outside of the CAISO's annual reassessment. Interconnection customers with shared network upgrades or network upgrades later-queued customers depend on may still be needed depending on what else has occurred in queue. As such, the CAISO proposes to include a provision stating interconnection customers with network upgrades requesting to downsize will not see the impacts to their network upgrades or cost responsibility until the CAISO publishes the reassessment results (similar to today), unless the CAISO can determine the impacts prior to the reassessment.¹⁰⁸ The CAISO has included the flexibility to provide early downsizing results because there may be straightforward cases that do not require the reassessment, such as remote interconnection customers with stand-alone upgrades. The CAISO proposes to remove the downsizing application window so interconnection customers can submit downsizing requests at any time; however, the CAISO proposes to state that interconnection customers must submit their requests by November 30 to be included in the upcoming reassessment study.¹⁰⁹ Requests after that date may have to wait until the next reassessment study. This allows interconnection customers to submit downsizing requests at any time, but it provides a transparent deadline to be included in the soonest reassessment.

To greatly simplify the downsizing process, the CAISO proposes to remove nearly all of the generator downsizing tariff provisions in Section 7.4 of the GIDAP.¹¹⁰ As stated above, the CAISO believes the material modification assessment process will be sufficient for downsizing requests, and interconnection customers are more familiar with it. The CAISO also proposes to remove the generator downsizing payment obligation agreement,¹¹¹ the generation interconnection agreement amendment

that applied downsizing deposits directly to reassessment costs. This accounts for the fact that many downsizing requests will be processed outside the reassessment.

¹⁰⁸ *Id.* (The CAISO has preserved and moved Section 7.5.11 to reiterate a downsizing generator's cost obligations after downsizing).

¹⁰⁹ *Id.*

¹¹⁰ The CAISO has preserved (but moved) sections 7.5.6 and 7.5.11 of Appendix DD to clarify the post-downsizing cost allocation and interconnection financial security requirements. The CAISO also has removed a moot clause from Section 6.7.2.3 of Appendix DD to the CAISO tariff.

¹¹¹ Appendix 11 to Appendix DD to the CAISO tariff.

regarding downsizing,¹¹² and the six defined tariff terms for downsizing.¹¹³ Experience has demonstrated these all represent unnecessary hurdles for downsizing. Removing them and treating downsizing similar to other modifications will greatly simplify the rules and procedures for downsizing.

The CAISO does not propose to change the rules prohibiting interconnection customers from downsizing merely as a means to reduce their interconnection financial security obligations before withdrawal, which occurred shortly after the CAISO implemented the downsizing provisions.¹¹⁴ As such, the CAISO has preserved the tariff provisions preventing this from re-occurring.¹¹⁵

In sum, the CAISO's tariff provisions greatly reduce the bureaucratic constraints of the original downsizing process while preserving interconnection customers' ability to downsize their interconnection requests. The CAISO's downsizing policy is effectively the same, but the procedures are much simpler. This will greatly reduce the administrative burden for interconnection customers and the CAISO, making the downsizing process more efficient for all parties. Stakeholders broadly supported these tariff revisions.

E. Enhancing the Errors And Omissions Process to Mitigate Late Changes

1. Current Process

The CAISO has a process for dealing with errors and omissions discovered after

¹¹² Appendix HH to the CAISO tariff. Appendix HH was intended to be a template for GIA amendments, but neither the CAISO nor interconnection customers have found it necessary or helpful. Amending GIAs to reflect downsizing is straightforward.

¹¹³ Downsizing Generator, Downsizing Generator Payment Obligation Agreement, Generator Downsizing Deposit, Generator Downsizing Process, Generator Downsizing Request, and Generator Downsizing Request Window. Because the CAISO has removed the procedures where these terms appeared, the defined terms are unnecessary. They also generally had straightforward definitions the English words would already suggest, making defined tariff terms unnecessary.

¹¹⁴ See Section 11.4.2 of Appendix DD to the CAISO tariff; *California Independent System Operator Corp.*, 153 FERC ¶ 61,242 (2015).

¹¹⁵ Namely, Section 7.5.11 and the last sentence of Section 7.5.6 of Appendix DD to the CAISO tariff, which the CAISO has moved to proposed Section 6.7.2.7. The CAISO also has preserved Section 11.4.2 of Appendix DD to the CAISO tariff.

interconnection customers receive their initial interconnection studies.¹¹⁶ Errors and omissions occur very infrequently, generally due to changes to reliability standards or unexpected needs to replace transmission equipment. Errors and omissions should not be confused with changes in study results due to interconnection request withdrawals. The CAISO has already built those potential impacts into interconnection customers' cost caps, thereby eliminating needs for serial restudies due to change in queue.

The current rules allow an interconnection customer with "substantial" errors or omissions sufficient time to consider the impacts to its project and decide whether it should post its interconnection financial security.¹¹⁷ A substantial error or omission is defined as (1) a cost change of more than five percent or \$1 million, whichever is greater; or (2) a commercial operation date delay or deliverability status delay of one year or more.¹¹⁸ Errors and omissions that do not meet either criterion are simply recorded as changes to study results.¹¹⁹

Even when an interconnection customer receives a substantial error or omission, the customer cannot receive cost increases above its cost caps, greatly mitigating the financial impact late errors and omissions would create. Moreover, once the interconnection customer has posted its second interconnection financial security, errors and omissions cannot affect its financing obligations under the CAISO tariff.¹²⁰ However, late substantial errors and omissions can still significantly impact the viability of a project and cause an offtaker to cancel the interconnection customer's power purchase agreement. This can occur because the offtaker needs the capacity earlier, because the energy may not be deliverable for longer than expected, or because the total costs to ratepayers has become too great. This can be especially true if an interconnection customer receives an error or omission very late in the interconnection process. Although such errors and omissions are very rare, the CAISO recognizes they

¹¹⁶ See Section 6.8 of Appendix DD to the CAISO tariff. "Errors and omissions" is not a defined term, and the CAISO has not experienced disputes over what constitutes an error or omission. The CAISO interprets the term by its plain meaning as anything that requires a change in study results that did not directly result from an interconnection customer's own requested modification or failure to meet queue or GIA milestones. Per stakeholders' request, the CAISO has added clarifying language to proposed Section 6.8.1.

¹¹⁷ Section 6.8.3 of Appendix DD to the CAISO tariff.

¹¹⁸ Section 6.8.1 of Appendix DD to the CAISO tariff.

¹¹⁹ Section 6.8.2 of Appendix DD to the CAISO tariff.

¹²⁰ Section 6.8.3 of Appendix DD to the CAISO tariff ("Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this Section 6.8 no longer apply").

can have a significant impact on developers.

2. Proposed Revisions

The CAISO proposes several enhancements to the errors and omissions procedures to further mitigate their impact on customers. First, the CAISO clarifies what constitutes a substantial error or omission.¹²¹ The revised criteria maintains the same thresholds—five percent, \$1 million, or one year—but clarifies that any change to the interconnection customer’s different cost responsibilities or synchronization milestones constitutes a substantial error or omission. These clarifications will avoid any dispute and provide interconnection customers with the most protection possible.

Second, the CAISO has expanded what constitutes a substantial error or omission to include any error or omission that causes the interconnection customer’s offtaker to terminate its power purchase agreement.¹²² The CAISO also has included a provision stating it will include examples of how interconnection customers can demonstrate power purchase agreement terminations in the business practice manual. The CAISO also will confirm power purchase agreement terminations with the interconnection customer’s counterparty. These provisions recognize that no matter how much cost caps may protect interconnection customers from directly inheriting the impacts of a rare error or omission, they still may cause the offtaker to terminate the power purchase agreement, which can be more significant.

Third, the CAISO proposes to provide interconnection customers that receive substantial errors or omissions a new option: withdraw and receive a full refund of all unspent interconnection financial security and study deposits.¹²³ This option recognizes that unanticipated errors or omissions, however infrequent, can ruin generation projects through no fault of the interconnection customers. The Commission has approved similar refund provisions for other transmission operators.¹²⁴ The CAISO proposes that interconnection customers must exercise this option within sixty days of the revised study report or the termination of its power purchase agreement resulting from the

¹²¹ Proposed Section 6.8.1 of Appendix DD to the CAISO tariff.

¹²² *Id.*

¹²³ Proposed Section 6.8.4 of Appendix DD to the CAISO tariff.

¹²⁴ See, e.g., *Public Service Company of Colorado*, 169 FERC ¶ 61,182 at PP 37-51 (2019); *Southwest Power Pool*, 167 FERC ¶ 61,275 (2019); *Midcontinent System Operator Corp.*, 158 FERC ¶ 61,003 at PP 107-108 (2017).

substantial error or omission.¹²⁵ Without this window interconnection customers could withdraw years later for reasons unrelated to the error or omission and still receive a full refund.

Fourth, at the request of stakeholders, the CAISO proposes to include two sets of clarifications to the errors and omissions provisions. The CAISO proposes to include express language for the existing policy that errors and omissions after the interconnection customer's second posting do not impact the interconnection customer's cost caps.¹²⁶ The CAISO also proposes to clarify that changes to interconnection studies resulting from interconnection customer requests, such as modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.¹²⁷ Otherwise, the CAISO takes a broad view of what constitutes an error or omission. As such, the CAISO has not experienced disputes over what constitutes an error or omission to date.

Together, these tariff revisions enhance interconnection customers' options and mitigate the impact late errors and omissions create. They also maintain the CAISO and transmission owners' incentives to publish accurate studies and avoid errors and omissions. Stakeholders generally supported the CAISO's proposed revisions; however, a transmission owner expressed concern of the financial risk transmission owners face. The CAISO understands this concern, but believes this risk should lie with the transmission owner, which can work to prevent errors and omissions, rather than the interconnection customer, which has no way to prevent errors and omissions. The Commission should approve these revisions as just and reasonable.

F. Clarifying the Classification of Remedial Action Schemes

1. Current Process

Remedial Action Schemes (RAS) are protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response to unplanned power

¹²⁵ Or they lose the option and the conventional withdrawal and refund rules would apply. (Revised study reports can take different forms depending on the change. See Section 6.8.2 of Appendix DD to the CAISO tariff.

¹²⁶ Proposed Section 6.8.3 of Appendix DD to the CAISO tariff. This means the transmission owner is responsible for any increased financing costs due to errors or omissions. Before the second posting, an error or omission is similar to any other early change occurring in queue, and can affect the interconnection customer's cost caps.

¹²⁷ Proposed Section 6.8.1 of Appendix DD to the CAISO tariff.

system events.¹²⁸ They are automatic systems intended to maintain reliability by taking corrective action when certain system events occur. The tariff includes a definition of both a Remedial Action Scheme and a Special Protection System, which are treated as synonyms.¹²⁹

The CAISO's planning process often identifies these as necessary for new interconnection customers as a more cost-effective upgrade than other alternatives such as line expansions or reconductoring. Many interconnection customers cannot interconnect safely and reliably without a RAS (or joining an existing RAS). A RAS falls directly in what is considered reliability network upgrades because these upgrades address thermal overloads and short-circuits.¹³⁰ However, there has been some confusion on the part of interconnection customers in the past because occasionally a RAS may first appear in a deliverability study. This occurrence is simply a result of an iterative study process, but it does not change the nature of the upgrades. Critically, the CAISO caps reliability network upgrade cash refunds to ensure ratepayers only pay for those upgrades warranted by the capacity a new generator creates.¹³¹

2. Proposed Revisions

The CAISO proposes to clarify that Remedial Action Schemes are reliability network upgrades, regardless of when they are initially identified.¹³² Doing so will eliminate confusion if such upgrades are first identified in a deliverability study and further ensure ratepayer protection from unfounded objection. Additionally, for clarity, the CAISO proposes to remove Special Protection System as a defined term and instead utilize Remedial Action Scheme throughout the tariff, as the two refer to the same systems.¹³³ This is in line with NERC practice as well, which has adopted the use

¹²⁸ Appendix A to the CAISO tariff.

¹²⁹ Appendix A to the CAISO tariff.

¹³⁰ See Appendix A to the CAISO tariff, in which a "Reliability Network Upgrade" is defined to include, in part, upgrades "necessary to remedy short circuit or stability problems, or thermal overloads."

¹³¹ Section 14.3.2.1 of Appendix DD to the CAISO tariff.

¹³² The CAISO proposes to effect this clarification in the definition of "Remedial Action Scheme," Appendix A to the CAISO tariff.

¹³³ In addition to the definitions, the CAISO will change "special protection system" to "Remedial Action Scheme" (or strike SPS where RAS is already mentioned) in Sections 24.4.7 and 24.8.1 of the tariff, Section L.8 of Appendix L, LVRT provisions and RNU definitions in the *pro forma* GIAs, Section 6.9.1 of Appendix Y, and Section 6.7.1 of Appendix DD.

of Remedial Action Scheme in place of Special Protection System.¹³⁴

Some stakeholders opposed this proposal, arguing that these upgrades are triggered as delivery network upgrades (“DNU’s”). LSA states that, “the fact that they are needed for project operation and ‘reliability’ should not change the fact that they are related to DNUs and only exist because of DNUs, and the cost treatment should thus be consistent with that applied to DNUs.”¹³⁵ However, when either a reliability or deliverability study identifies a RAS, the associated overload concern is considered by the CAISO as a reasonably likely contingency overload concern that could be frequently binding in the CAISO markets. The number of binding contingency overload concerns that can be accommodated by the CAISO market is limited, so a study thus identifies a RAS as needed to maintain reliability. This inclusion may occur because the assumptions the CAISO uses in the deliverability studies are different than the initial reliability studies, but the RAS is still mitigating reliability issues.¹³⁶ Rather than requiring transmission owners to re-run the reliability studies based on the outcome of the deliverability studies, RASs are included as reliability network upgrades in the deliverability studies.

Further, if any study determines a RAS is needed, the RAS is required for all projects in the study area, including Energy Only projects. Unlike a DNU, a RAS may be required for a project to synchronize to the grid, and a limited operations study is needed to determine if the project can synchronize prior to the RAS being in service. Delivery network upgrades, by contrast, are upgrades required to relieve transmission constraints. The cost allocation for a RAS is subject to ISO Tariff Appendix DD Section 6.1.3, which allocates to the interconnection customers in the electrical group that is responsible for triggering the RAS.

¹³⁴ *Revisions to Emergency Operations Reliability Standards; Revisions to Undervoltage Load Shedding Reliability Standards; Revisions to the Definition of “Remedial Action Scheme” and Related Reliability Standards*, Order No. 818, 153 FERC ¶ 61,228 (2015) (approving a revised definition of Remedial Action Scheme in the NERC Glossary, as well as modified Reliability Standards that incorporate the new Remedial Action Scheme definition and eliminate use of the term Special Protection System.) In its original petition under RM15-13-000, NERC explained that a single term promotes consistency and that the term RAS is more descriptive.

¹³⁵ *Comments of LSA on Draft Final Proposal – Phase 1*, available at <https://stakeholdercenter.caiso.com/Comments/AllComments/c544f3b8-cc88-4cb9-8eab-0d954017ac94>.

¹³⁶ For example, the reliability study generally has modelled wind and solar generation at 100% of Pmax, and the deliverability study has modeled wind and solar at much less than Pmax. All overload concerns identified in the deliverability study will also later be identified in the comprehensive reliability study, because the deliverability study is considering more likely scenarios than the initial reliability study.

G. Clarifying Interconnection Request Transfers from the Participating Transmission Owners' Wholesale Distribution Access Tariff Queues

1. Current Process

On occasion, a small number of projects inadvertently submit an interconnection request to a utility distribution company under that entity's wholesale distribution access tariff, reasonably thinking their requested point of interconnection is to the distribution grid instead of the CAISO controlled grid. Sometimes these unintentional errors are only discovered after the window when the CAISO can accept new requests. The tariff currently provides no clear process for the CAISO to accept transfers from a utility distribution company's interconnection queue and historically this has resulted in an additional administrative burden of coordination between the CAISO and utility distribution company.

2. Proposed Revisions

The CAISO proposes new tariff language allowing the CAISO to accept interconnection request transfers from the utility distribution company's queue to the CAISO queue within a specified timeframe.¹³⁷ After the close of the CAISO's cluster application window, the CAISO will only accept transfers of projects which can be included in the Phase I Interconnection Study without delaying that queue cluster. The CAISO will not accept any Interconnection Request transfers to that queue after the commencement of the Phase I Study. Doing so will minimize the required coordination between the entities because of the limited timeframe.

The proposed revisions are just and reasonable because they allow for a smoother transition of projects to the correct entity, ultimately not penalizing interconnection customers for making an unintentional error, but also not doing so at the expense of other interconnection customers. No stakeholders opposed this proposal.

H. Clarifying Site and Point of Interconnection Change Processes

1. Current Process

Interconnection customers sometimes request a change in a proposed site or point of interconnection during the Interconnection Request validation process, typically following the project's scoping meeting. For example, an interconnection customer may

¹³⁷ Proposed Section 3.3.3 of Appendix DD to the CAISO tariff.

seek to change the initially requested point of interconnection as it becomes clear at the scoping meeting the point of interconnection will be infeasible. This may be because of lack of deliverability or due to a high cost to interconnect. Currently, the GIDAP requires an interconnection customer to designate its point of interconnection on the basis of its scoping meeting.¹³⁸ However, the tariff lacks more specificity on the extent to which an interconnection customer can alter its point of interconnection. The tariff also lacks specific guidance on accompanying modifications to an interconnection customer's associated site location during this initial period of the interconnection request process.¹³⁹

2. Proposed Revisions

To clarify the scope of changes that are allowed, and to not delay the start of interconnection studies, the CAISO proposes that any change in point of interconnection will be limited to within the same transmission study area¹⁴⁰ as the point of interconnection originally requested in its interconnection request.¹⁴¹ Limiting the changes to the same transmission study area will prevent additional delays and complications from what could otherwise be considered inclusion of a substantially different project for its impacts on the grid. If an interconnection customer requests a change of its point of interconnection consistent with this criteria, it may change its site location at this time as well. Further, the CAISO proposes to maintain the current approach to having interconnection customers confirm their points of interconnection and any site changes following the Scoping Meeting. This clarification will provide flexibility without affecting the CAISO's ability to start and perform studies.

The Commission should approve these enhancements as just and reasonable. Stakeholders generally supported them. Adding clarity to requirements for a change in point of interconnection ensures a timely start to interconnection studies and adds transparency to the rules for such changes.

¹³⁸ Section 6.1.2 of Appendix DD to the CAISO tariff.

¹³⁹ Changes to POI later in the process are considered modifications and governed by other tariff provisions. Section 6.7.2 of Appendix DD to the CAISO tariff.

¹⁴⁰ The CAISO details study areas in the transmission planning process and the business practice manual.

¹⁴¹ Proposed Section 6.1.2 of Appendix DD to the CAISO tariff.

I. Allowing Interconnection Customers To Make Certain Modifications To Parked Projects

1. Current Process

As described in Section A, when an interconnection customer does not receive the deliverability allocation it sought, it can “park” its project to re-seek deliverability the next year, convert to energy only, or withdraw.¹⁴² This allows interconnection customers more time to seek deliverability and market their projects. However, while parked the interconnection customer is somewhat in stasis: obtaining deliverability or not will have a significant effect on the project. Interconnection customers that do not obtain deliverability frequently withdraw; others may make substantial modifications to their projects. Moreover, if an interconnection customer obtains deliverability and a power purchase agreement after parking, it likely will also modify its project to incorporate updated technology or better align with its power purchase agreement.

Under the current tariff, it is unclear what modifications a parked project may request. There are no express restrictions on modifications, but interconnection customers generally recognize that parking is a poor time to make certain changes that will not help them obtain deliverability or a power purchase agreement, or which may be supplanted by further modifications after parking based on the next allocation cycle. Modification requests also create an administrative burden for the CAISO and transmission owners: a large share of parked interconnection customers will withdraw or modify their projects substantially based on deliverability results. The result is that many modifications while projects are parked can and should wait until after parking, especially at a time when the CAISO and transmission owner staff face a record number of interconnection requests to study.¹⁴³

2. Proposed Revisions

The CAISO proposes to clarify the modifications a parked project may request:

- Downsizing,
- Fuel-type or technology changes,¹⁴⁴
- Points of interconnection, and
- Permissible technological advancements.¹⁴⁵

¹⁴² Section 8.9.4 of Appendix DD to the CAISO tariff.

¹⁴³ *California Independent System Operator Corp.*, 176 FERC ¶ 61,207 (2021).

¹⁴⁴ *E.g.*, solar to wind, wind to storage, etc.

¹⁴⁵ Proposed Section 8.9.4 of Appendix DD to the CAISO tariff.

The CAISO and stakeholders believe these modifications may be warranted while a project is parked to help the project obtain deliverability and capacity contracts. In other words, they may be relevant to the project's current state. Other typical modification requests such as inverter updates and commercial operation date changes should wait until the customer comes out of parking for the reasons explained above.

The CAISO also proposes that an interconnection customer requesting these modifications while its project is parked must post their second interconnection financial security.¹⁴⁶ The second interconnection financial security posting is typically due 180 days after the Phase II study.¹⁴⁷ Parked projects, however, receive one-year extensions for each of their two parking opportunities.¹⁴⁸ Financial security postings demonstrate interconnection customers are committed and able to continue in queue. The CAISO and stakeholders believe that if projects elect to make modifications while parked, they should meet the same requirements for progressing in queue as other interconnection customers. If a parked project does not want to make its second financial security posting, it should wait to request modifications until it comes out of parking.

The Commission should approve these enhancements as just and reasonable. Stakeholders generally support these enhancements, which provide interconnection customers with the flexibility to make necessary changes while parked without subjecting the CAISO and transmission owners to unnecessary studies for a project that may make significant changes or withdraw based on the next deliverability allocation results.

J. Clarifying the Deadline For Appendix B Data Before Phase II Studies

1. Current Process

The CAISO's interconnection process includes multiple points at which the interconnection customer must submit new or verify existing data to ensure accurate modeling and studies as the process moves forward. The GIDAP Appendix B, "Data Form to Be Provided by the interconnection customer Prior to Commencement of the Phase II Interconnection Study," is a document that interconnection customers must submit to the CAISO after the Phase I study results meeting. The Appendix B form contains information on changes that an interconnection customer may make prior to beginning the Phase II study process. This includes technical data and scheduling

¹⁴⁶ *Id.*

¹⁴⁷ Section 11.3.1.2 of Appendix DD to the CAISO tariff.

¹⁴⁸ Section 11.3.1.3 of Appendix DD to the CAISO tariff.

information critical to building the base case upon which the Phase II studies are run.¹⁴⁹ The CAISO must validate the information in the Appendix B, and any omissions or errors in the information must be corrected before the CAISO can begin the Phase II studies. Under the current tariff, the CAISO requires an interconnection customer to submit the completed form within ten business days of the Phase I Interconnection Study Results Meeting.¹⁵⁰ However, the tariff is silent on the time period within which the CAISO and PTO must notify an interconnection customer of deficiencies, as well as the time period in which an interconnection customer may cure such deficiencies. This results in data gathering delays, which can delay the beginning of the Phase II studies.

2. Proposed Revisions

The CAISO proposes to add a deadline for validating Appendix Bs -- they must be deemed valid by seventy days after the date of the Phase I study.¹⁵¹ The CAISO and PTO will work with each interconnection customer within this deadline to ensure interconnection customers provide Appendix Bs early and can cure any deficiencies. As such, the proposed tariff provisions also require the CAISO and PTO to notify the interconnection customer whether Appendix B is valid or contains deficiencies within ten Business Days of submission, and interconnection customers must cure within five business days. These sub-deadlines will allow for multiple iterations between the parties before the seventy days deadline and ensure the interconnection customers have ample opportunity for corrections. Further, the seventy-day deadline for final validation will ensure that the Phase II study is not delayed.

LSA, MRP, and RWE oppose this proposal, saying that some projects will have more time for validation due to the timing of Results Meetings.¹⁵² Their concern is that those interconnection customers whose results meetings are scheduled later than other interconnection customers will have a shorter validation window. However, the sub-deadlines help address these concerns and ensure timely communication between parties. A seventy-day timeframe ensures all interconnection customers have at least the opportunity for multiple iterations back and forth in the case interconnection customers are unable to cure a deficiency within the first cure period, which lasts

¹⁴⁹ For example, this includes generation capacity and metering information, scheduled dates for key milestones, and deliverability information.

¹⁵⁰ Section 6.8 of Appendix DD to the CAISO tariff.

¹⁵¹ Proposed Section 6.8 of Appendix DD to the CAISO tariff.

¹⁵² *Comments of LSA on Draft Final Proposal – Phase 1*, available at <https://stakeholdercenter.caiso.com/Comments/AllComments/c544f3b8-cc88-4cb9-8eab-0d954017ac94>.

approximately fifteen days between CAISO's initial validation (10 days) and the deadline for the interconnection customer's resubmission (5 days). The tariff requires results meetings be completed within thirty days of Phase I studies.¹⁵³ For customers whose results meetings fall towards the end of that timeframe, their validation period would still be at least forty days, which allows for multiple opportunities for the CAISO to iterate on any deficiencies with interconnection customers, even if both parties were to respond on the last allowable day under the proposed sub-deadlines. This, coupled with the existing public availability of the form Appendix B which allows for interconnection customers to begin preparing the form prior to their results meeting, does not result in an unreasonable amount of time for any interconnection customers. Further, maintaining a shared deadline for all interconnection customers to submit this Appendix B supports the goal of administrative efficiency, both in terms of tracking deadlines, and it provides all interconnection customers transparency into ensuring there are no delays in initiating the Phase II studies.

The Commission should approve these enhancements as just and reasonable. The timeframe proposed is sufficiently adequate to ensure all projects can meet the validation requirements of the submitted form. The addition of this tariff provision serves to add certainty to the process and does not impact the timeline of the interconnection process otherwise.

K. Expanding Deliverability Transfer Opportunities

1. Current Process

Interconnection customers may transfer deliverability among their co-located generating units.¹⁵⁴ Generally interconnection customers transfer deliverability among different generating units based on power purchase agreements: if a solar generating unit has deliverability, but an offtaker needs to procure additional storage, the interconnection customer may transfer unused deliverability from the solar to the storage. Because the generating units are co-located, there is no impact to network topology or the delivery network upgrades themselves; however, the deliverability allocation may change based on the qualifying capacity of the resource receiving the deliverability transfer.¹⁵⁵

Deliverability is not a commodity that can be sold, purchased, or traded among

¹⁵³ Section 6.7 of Appendix DD to the CAISO tariff.

¹⁵⁴ Section 8.9.9 of Appendix DD to the CAISO tariff.

¹⁵⁵ *Id.*

developers, so the current tariff provisions restrict deliverability transfers to the same generating facility and the same point of interconnection. However, the CAISO has observed this limitation may be overly restrictive. Generation developers frequently build many generating facilities at the same site in phases, with multiple generating facilities in the same area. This is especially true for areas ideal for renewable development. New expansions therefore may be at the same site, but they do not technically consist of a single generating facility or share a single point of interconnection.¹⁵⁶ As such, developers are unable to make prudent deliverability transfers among their generators because they cannot meet the current tariff requirements.

2. Proposed Revisions

To facilitate the optimal use of deliverability, the CAISO proposes to clarify that interconnection customers may transfer deliverability among their generating units at the same point of interconnection *and* to other interconnection customers interconnected at the same voltage level and substation.¹⁵⁷ This will preserve the intent of the CAISO's current restrictions but provide interconnection customers with the necessary flexibility to transfer deliverability efficiently. The Commission should approve these clarifications as just and reasonable.

L. Clarifying Requirements To Utilize Third-Party Interconnection Facilities

1. Current Process

The CAISO tariff currently contains no provisions related to the use of third-party Interconnection Facilities. This has caused uncertainty regarding the viability of a project, as the CAISO has dealt with a number of projects that intended to use a third-party owned gen-tie line, but for which the interconnection customer delayed obtaining permission from the interconnection facility owner. The CAISO expects interconnection requests utilizing third-party owned interconnection facilities to increase in line with the declining number of open positions for interconnecting new generators. With a surge of new interconnection requests, the CAISO's study process must maintain manageability

¹⁵⁶ The point of interconnection is not necessarily the precise location where the generating unit reaches the transmission grid. Co-located units frequently require unique points of interconnection for metering purposes, inverter engineering, or to lower costs.

¹⁵⁷ Proposed Section 8.9.9 of Appendix DD to the CAISO tariff. Transfers beyond the same voltage level and substation would not be consistent with the deliverability assessment and initial allocation, and therefore are not possible.

by relying on fundamental rights to construct their proposed projects to address feasibility.

2. Proposed Revisions

To remedy the uncertainty, the CAISO proposes that any interconnection request seeking to utilize third-party interconnection facilities must provide specific documentation regarding the rights to construct as part of their original interconnection request.¹⁵⁸ At the time the interconnection request is submitted, the documentation must demonstrate that the interconnection customer is negotiating for or has already secured the rights to the third-party interconnection facilities and that the owner will share available capacity. The interconnection customer must then demonstrate it has solidified or secured these rights before its initial Interconnection Financial Security posting, which is due on a date before the Phase II study commences. Such rights must be secured through the Commercial Operation Date of the project.

The CAISO proposes a transition period for Cluster 14 projects already in queue. For such projects, the CAISO will require a letter of intent between the interconnection customer and the third party interconnection facilities owner at the first IFS posting, rather than fully solidified rights. The CAISO will then require documentation that those rights have been secured following the Phase II studies and at the time the second IFS posting is due. This will give cluster 14 customers essentially a pushed back window to demonstrate the right to construct their project.

Stakeholders generally supported this proposal. The CAISO is currently dealing with several projects that are creating uncertainty regarding what network upgrades will ultimately be needed. The CAISO also anticipates these types of sharing agreements will become more common with the declining number of open positions for new generators, and it seeks to address the feasibility problem now before it becomes unmanageable. The Commission should approve these proposed revisions as just and reasonable.

III. Stakeholder Process

The stakeholder process that resulted in this filing included:

- The CAISO's soliciting stakeholder suggestions on items to be included in this iteration of the IPE initiative;
- Four issue papers issued by the CAISO;

¹⁵⁸ Proposed Sections 3.5.1.5 and 16.1(m) of Appendix DD to the CAISO tariff.

- Developing draft tariff provisions;
- Six stakeholder meetings and conference calls to discuss the CAISO papers and the draft tariff provisions; and
- Six opportunities to submit written comments on the CAISO papers and the draft tariff provisions.¹⁵⁹

The proposals were presented to the CAISO Governing Board during its public meeting on May 12, 2022. The Board voted unanimously to authorize this filing.¹⁶⁰

IV. Effective Date

The CAISO requests an effective date of September 1, 2022, 91 days from this filing. This effective date will allow the CAISO to implement the instant revisions in the upcoming deliverability allocation cycle and before Cluster 14 proceeds in the interconnection study process.

V. Communications

In accordance to Rule 203(b)(3) to the Commission's Rules of Practice and Procedure,¹⁶¹ the CAISO respectfully requests that correspondence and other communications regarding this filing should be directed to the following:

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¹⁵⁹ Materials regarding the IPE stakeholder process are available on the CAISO website at <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2021>.

¹⁶⁰ Materials related to the Board's authorization to prepare and submit this filing are available on the CAISO website at <http://www.caiso.com/informed/Pages/BoardCommittees/BoardGovernorsMeetings.aspx>. The Memoranda provided to the Board is provided in attachment D to this filing.

¹⁶¹ 18 C.F.R. § 385.203(b)(3).

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VI. Service

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of this filing on the CAISO website.

VII. Contents of Filing

In addition to this transmittal letter, this filing includes the following attachments:

- | | |
|--------------|--|
| Attachment A | Clean CAISO tariff sheets incorporating this tariff amendment; |
| Attachment B | Red-lined document showing the revisions in this tariff amendment; |
| Attachment C | Final policy papers on this tariff amendment; and |
| Attachment D | Board memoranda. |

VIII. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission accept the tariff revisions proposed in the filing effective September 1, 2022.

Respectfully submitted,

/s/ William H. Weaver
Roger E. Collanton
General Counsel
William H. Weaver
Senior Counsel
Sarah E. Kozal
Counsel

*Counsel for the California Independent System
Operator Corporation*

Attachment A – Clean Tariff
Interconnection Process Enhancements
California Independent System Operator Corporation
June 2, 2022

Definitions (Appendix A to the CAISO tariff)

- [Not Used]

- [Not Used]

- [Not Used]

- [Not Used]

- [Not Used]

- [Not Used]

- Interconnection Customer

Any entity, including a Participating TO or any of its Affiliates or subsidiaries, that proposes to interconnect its Generating Facility, or modify its existing interconnection, with the CAISO Controlled Grid.

- Reliability Network Upgrade

The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

- Remedial Action Schemes (RAS)

Reliability Network Upgrades consisting of protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response (including Outages) to unplanned power system events. Also, details of RAS logic

and any special requirements for arming of RAS schemes, or changes in RAS programming, that may be required. Remedial Action Schemes are also referred to as special protection systems.

- Site Exclusivity

Documentation reasonably demonstrating:

(1) For private sites:

(a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or

(b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility.

(2) For public sites, including that controlled or managed by any federal, state, or local agency, a permit, license, other right, or pending application prescribed by the relevant authority, to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility..

- Site Exclusivity Deposit

The cash deposit provided to the CAISO by Interconnection Customers under GIP and GIDAP Section 3.5.1 as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request.

- [Not Used]

- [Not Used]

GIDAP (Appendix DD to the CAISO tariff)

Section 1 Objectives And Applicability

1.1 Objectives and Applicability

The objective of this Generation Interconnection and Deliverability Allocation Procedures (GIDAP) is to implement the requirements for both Small and Large Generating Facility interconnections to the CAISO Controlled Grid and to provide a process for allocating Transmission Plan Deliverability for Interconnection Requests starting with Queue Cluster 5 and for subsequent Queue Clusters. This GIDAP applies to Interconnection Requests that are either assigned to Queue Cluster 5 and subsequent Queue Clusters, or submitted for the Independent Study Process, or Fast Track Process after July 25, 2012. The exception to this rule of limited applicability is the annual reassessment process set forth in Section 7.4, which shall apply to all CAISO Interconnection Customers in Queue Clusters.

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Section 2 Scope and Application

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2.4.3.2 The Reassessment Prior to Phase II Interconnection Studies

Before undertaking the Phase II Interconnection Studies, the CAISO will conduct a reassessment, as specified in Section 7.4, to conform the Base Case and Interconnection Base Case Data to account for later conditions since the CAISO performed the Phase II Interconnection Study in the prior Interconnection Study Cycle.

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Section 3 Interconnection Requests

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3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

Except for Interconnection Customers requesting processing under the Independent Study Process or Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window will open on April 1 and close on April 15 of each year. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day.

3.3.2 Timing for Submitting Interconnection Requests for Independent Study Process and Fast Track Process

Interconnection Customers may submit Interconnection Requests for processing under the Independent Study Process or the Fast Track Process at any time during the year.

3.3.3 Timing for Wholesale Distribution Transfers

After the Cluster Application Window, the CAISO will accept Interconnection Requests

from Utility Distribution Companies that accepted interconnection requests for wholesale participation the Interconnection Customer reasonably believed were to the distribution grid based on available information, but should have been to the CAISO Controlled Grid. The CAISO will only accept those Interconnection Requests it can include in the Phase I Interconnection Study without delaying that Queue Cluster. The CAISO will not accept any Interconnection Request transfers after the commencement of the Phase I Interconnection Study.

After the Utility Distribution Company has transferred the Interconnection Request to the CAISO, the CAISO will notify the Interconnection Customer whether it can be included in the Phase I Interconnection Study and request any data still required under Section 3.5.1.

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3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window, or at any time during the year for proposed Generating Facilities applying for processing under the Independent Study Process:

- (i) An Interconnection Study Deposit of \$150,000.
- (ii) A completed application in the form of Appendix 1, including requested Deliverability statuses, requested study process (either Queue Cluster or Independent Study Process), preferred Point of Interconnection and voltage level, and all other required technical data, including all data requested in Attachment A to Appendix 1 in Excel format.
- (iii) Demonstration of Site Exclusivity or, for Interconnection Requests in a Queue Cluster, a posting of a Site Exclusivity Deposit of \$250,000 for a Small Generating Facility or \$500,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.
- (iv) A load flow model.
- (v) A dynamic data file.
- (vi) A reactive power capability document.
- (vii) A site drawing.
- (viii) A single-line diagram.
- (ix) A flat run plot and a bump test plot from the positive sequence transient stability simulation application.
- (x) A plot showing the requested MW at the Point of Interconnection from the positive sequence load flow application.

The CAISO requires the foregoing information to be complete and specific to the

Interconnection Request. The CAISO will first determine whether a submitted Interconnection Request is complete. The CAISO will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received by the CAISO. Consistent with Section 3.5.3, the CAISO will review each Interconnection Request and notify the Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Any Interconnection Customer that has not submitted a complete Interconnection Request by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 3.5.2 of this GIDAP or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO will include examples of how Interconnection Customers can demonstrate Site Exclusivity, including on public sites, in its Business Practice Manual.

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3.5.1.2 Obligation for Study Costs.

Except as otherwise provided in Section 3.5.1.1, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

Following offsets from non-refundable Site Exclusivity Deposit funds, the actual costs of each reassessment, as set forth in Section 7.4, will be divided and allocated equally amongst the following Interconnection Customers:

- (1) Interconnection Customers whose Generating Facilities' Phase II Interconnection Studies were completed in the most recent Interconnection Study Cycle prior to the applicable reassessment;
- (2) Interconnection Customers whose Generating Facilities are parked pursuant to this GIDAP at the time of the applicable reassessment process; and
- (3) Interconnection Customers with Interconnection Requests for Generating Facilities in Queue Clusters for whose Interconnection Studies the results of the applicable annual reassessment process will be used to establish the Base Case.

An Interconnection Customer will be allocated a single share of the actual costs of the reassessment per Generating Facility in these four categories, even if a

Generating Facility falls within more than one of these categories.

The Participating TO and any third parties performing work on the Interconnection Customer's behalf shall invoice the CAISO for such work, and the CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the Interconnection Study Deposit any undisputed costs within thirty (30) calendar days of issuance of an invoice. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study, or portions thereof, is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study or portions thereof.

3.5.1.3 Use of Site Exclusivity Deposit.

The CAISO shall deposit all Site Exclusivity Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site Exclusivity Deposit and all interest shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity. For Site Exclusivity Deposits provided after September 1, 2022, if the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the CAISO by written notice under Section 3.8 thirty (30) calendar days after the Scoping Meeting and before demonstrating Site Exclusivity, fifty percent (50%) of the Site Exclusivity will be non-refundable and subject to Section 7.6 of this GIDAP. The refund of the Site Exclusivity Deposit shall include interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal on the refundable portion only.

Interconnection Customers in Clusters 15 and thereafter may not use Site Exclusivity Deposits after the Phase I Interconnection Study. Interconnection Customers must demonstrate Site Exclusivity for the Generating Facility at least ten (10) Business Days prior to the initial Interconnection Financial Security posting is required. Interconnection Customers that fail to demonstrate Site Exclusivity prior to this deadline will be deemed withdrawn.

3.5.1.4 Proposed Commercial Operation Date.

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period. The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 for retention of TP Deliverability.

3.5.1.5 Third-party Interconnection Facilities.

Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities to be deemed valid pursuant to Section 3.5.2. On or before their initial Interconnection Financial Security posting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

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3.10 Emergency Interconnection Process

The CAISO and Participating TO(s) may conduct expedited studies to approve emergency interconnections when all of the following conditions are satisfied:

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis;
- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;
- (c) The interconnection would not have a negative impact on the cost or timing of any existing Interconnection Request unless the impacted Interconnection Request belongs to the same developer and the developer consents to the impact;
- (d) The interconnection does not require Network Upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this GIDAP;
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;
- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The Interconnection Customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAP and supplanting the emergency GIA or amendment;
- (g) The emergency interconnection will be ineligible for Delivery Network Upgrades or TP Deliverability except Interim Deliverability consistent with Section 4.6 of this GIDAP, or until it can obtain TP Deliverability by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAP;
- (h) The emergency interconnection will not impact Affected Systems; and
- (i) The expedited studies confirm the interconnection may mitigate the emergency.

The Interconnection Customer will provide the CAISO a \$50,000 deposit and all necessary technical information to assess the interconnection. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the assessment. If the actual costs of the assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the assessment are greater than the deposit provided by the

Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the assessment with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO and Participating TO(s) will conduct all necessary studies, publish study results, and tender a draft GIA or amendment to the Interconnection Customer.

Notwithstanding any other provision, all refunds pursuant to this section will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 [Intentionally Omitted]

6.1.2 Scoping Meeting

The CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. All Scoping Meetings shall occur no later than June 30, unless otherwise mutually agreed upon by the Parties. The CAISO shall evaluate whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, in such case, the CAISO shall invite the affected Participating TO(s), and/or Affected System Operator(s) in accordance with Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information. The applicable Participating TO(s) and the CAISO will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues, and (b) general information regarding the number, location, and capacity of other Interconnection Requests in the Interconnection Study Cycle that may potentially form a Group Study with the Interconnection Customer's Interconnection Request.

The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Attachment A to Appendix 1, any system studies previously performed. The applicable Participating TO(s), the CAISO and the Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to

accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, the Interconnection Customer shall designate its Point of Interconnection. The Point of Interconnection and any resultant site change must remain within the same study area as the Point of Interconnection submitted in the original Interconnection Request. The duration of the meeting shall be sufficient to accomplish its purpose.

The CAISO shall prepare minutes from the meeting, and provide the Interconnection Customer and the other attendees an opportunity to confirm the accuracy thereof, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.

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6.7.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible Remedial Action Scheme, distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the CAISO and Participating TO, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under Section 15.5. The Interconnection Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under Section 15.5.

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6.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall

submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section shall include specifically:

- (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;
- (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics;
- (c) modifying the interconnection configuration;
- (d) modifying the In-Service Date, Initial Synchronization Date, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld;
- (e) change in Point of Interconnection as set forth in Section 6.7.2.1;
- (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status;
- (g) Permissible Technological Advancements consistent with Section 6.7.2.4; and
- (h) change from Off-Peak Deliverability Status to Off-Peak Energy Only.

For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section.

If any Interconnection Customer requested modification after the Phase II Interconnection Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

- 6.7.2.3** The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix DD will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

- 6.7.2.7** Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the \$10,000 deposit, by November 30 to be included in the

following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

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6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;
- b) Providing proof of having an executed and regulator-approved power purchase agreement. Power purchase agreements must have the point of interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Exclusivity for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Exclusivity Deposit does not satisfy this criterion;
- d) Having an executed Generator Interconnection Agreement ("GIA"); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

Interconnection Customers that satisfied these commercial viability criteria before

November 27, 2018 on the basis of balance-sheet or binding financing may continue to do so in their annual review. The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this GIDAP.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy Only Deliverability Status. Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the Generating Facility that is in service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. However, where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Phase II Interconnection Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Phase II Interconnection Study report. This exemption is inapplicable to report addenda or revisions required by a request from an Interconnection Customer for any reason.

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6.8 Revisions and Addenda to Final Interconnection Study Reports

6.8.1 Substantial Error or Omissions; Revised Study Report

Should the CAISO discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study Report

(which can mean a final Phase I or Phase II Interconnection Study Report for cluster studies or a final system impact and facilities report for the Independent Study Process) contains a substantial error or omission, the CAISO will cause a revised final report to be issued to the Interconnection Customer.

A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's Current Cost Responsibility, Maximum Cost Responsibility, Maximum Cost Exposure, and Participating TO Interconnection Facilities by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater;
- (ii) delay of the Commercial Operation Date, In-Service Date, or requested Deliverability Status by more than one year; or
- (iii) termination of the Interconnection Customer's power purchase agreement.

The CAISO will include examples of how Interconnection Customers can demonstrate power purchase agreement terminations in the Business Practice Manual. The CAISO will confirm power purchase agreement terminations with the Interconnection Customer's counterparty.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above. Changes to Interconnection Studies resulting from Interconnection Customer requests, including without limitation, modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.

6.8.2 Other Errors or Omissions; Addendum

If an error or omission in an Interconnection Study report (for either the cluster process or Independent Study Process) is not a substantial error or omission, the CAISO shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the CAISO shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The CAISO and applicable Participating TO shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to Section 13.

6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates

Only substantial errors and omissions related to the Phase I and Phase II study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this Section 6.8 no longer apply. Any error or omission found after the second Interconnecting Financial Security posting will not impact the Interconnection Customer's Assigned Cost Responsibility, Maximum Cost Responsibility, or Maximum Cost Exposure.

Unless the error or omission is substantial, resulting in the issuance of a revised final

Interconnection Study report, the correction of an error or omission will not delay any deadline for posting Interconnection Financial Security set forth in Section 11. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in Section 11. In addition to issuing a revised final report, the CAISO will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a CAISO determination that an error or omission in a final Study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with Section 11, subject to refund in the event that the Interconnection Customer prevails in the dispute.

6.8.4 Substantial Errors or Omissions Allowing Refunds

Notwithstanding Sections 3.5.1 and 11.4, after the Interconnection Customer has posted its Initial Interconnection Financial Security, it is eligible for a one-hundred percent (100%) refund of its remaining, unspent Interconnection Financial Security and all remaining, unspent Interconnection Study Deposit funds if:

- (i) it receives a substantial error or omission; and
- (ii) it withdraws its Interconnection Request within sixty (60) days of the publication of the revised Study Report or the termination of its power purchase agreement resulting from the substantial error or omission, as applicable.

Section 7 Activities in Preparation for Phase II

Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to the Generator Interconnection Study Process Agreement. The CAISO and Participating TO will determine whether the Appendix B data is valid. Appendix B data will be deemed valid if it does not contain deficiencies that would prevent inclusion in the Phase II Interconnection Studies. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files. The CAISO and Participating TO will notify the Interconnection Customer whether its Appendix B data is valid or contains deficiencies within ten (10) Business Days of the initial and any subsequent submission. Interconnection Customers must cure any deficiency within five (5) Business Days. All Appendices B must be deemed valid within seventy (70) days of the publication of the Phase I Interconnection Study to be included in the Phase II Interconnection Studies. Within such Appendix B, Interconnection Customers seeking Full or Partial Deliverability Capacity will provide the information in 7.2 below:

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7.4 Reassessment Process

7.4.1 The CAISO will perform a reassessment of the Phase I Interconnection Study base case prior to the beginning of the GIDAP Phase II Interconnection Studies. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Phase I Interconnection Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the Phase II Interconnection Studies for the immediately preceding Queue Cluster;
- (b) downsizing requests from Interconnection Customers pursuant to Section 6.7.2.3;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) changes in TP Deliverability allocations or Deliverability Status;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The reassessment will be used to develop the base case for the Phase II Interconnection Study

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7.5 [Not Used]

7.6 Application of Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse non-refundable interconnection study deposit and interconnection financial security amounts in accordance with the provisions of Appendix Y to the CAISO Tariff and this GIDAP as follows:

- (a) Withdrawal Period

The CAISO shall calculate non-refundable interconnection study deposit and interconnection financial security amounts based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement. The first such withdrawal period shall be from January 1, 2013 through the last day that the CAISO is able to incorporate withdrawals into the 2015 annual reassessment. Subsequently, each withdrawal period shall be the approximate twelve-month period between the last day that the CAISO is able to incorporate withdrawals into an annual reassessment and the last day that the CAISO is able to incorporate withdrawals into the subsequent year's reassessment.

For each withdrawal period, the CAISO shall calculate and disburse available non-refundable interconnection study deposits and interconnection financial security in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

- (b) Calculation and Disbursement of Non-Refundable Interconnection Financial Security for

Still-Needed Network Upgrades At or Above \$100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement, the CAISO shall calculate the proportion of the non-refundable Interconnection Financial Security that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer's Current Cost Responsibility for the Network Upgrade by the Interconnection Customer's total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer's total amount of non-refundable Interconnection Financial Security.

If the amount of non-refundable security attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than \$100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be disbursed by the CAISO in the same manner in a subsequent reassessment, based on the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(c).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(c).

(c) Calculation and Disbursement of Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any non-refundable Interconnection Study Deposits, as well as any non-refundable Interconnection Financial Security not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO's Transmission Access Charge, and to offset Local Transmission Revenue Requirements. Any non-refundable Interconnection Financial Security and Interconnection Study Deposits relating to withdrawals or terminations that occurred prior to January 1, 2013 that are collected by the CAISO during a withdrawal period, as defined in Section 7.6(a), will also be disbursed in accordance with this provision.

This offset shall be performed by first allocating these non-refundable Interconnection Study Deposit and Interconnection Financial Security amounts to the following three categories in proportion to the Interconnection Customer's most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO's Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO's most recent Regional Transmission Revenue Requirement to the total of all Participating TOs' most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(d) Disbursement of Funds by CAISO; Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those non-refundable Interconnection Financial Security and Study Deposit amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any non-refundable financial security where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO's submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

(e) The CAISO shall, upon receipt, deposit all non-refundable Interconnection Financial Security and Interconnection Study Deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6.

(f) Disbursement of Non-Refundable Site Exclusivity Deposits

The CAISO will first apply non-refundable portions of Site Exclusivity Deposits, including interest earned thereon, to offset the costs of the annual reassessment performed under Section 7.4 of this GIDAP. Any remaining non-refundable portions of Site Exclusivity Deposits that exceed the costs of the annual reassessment will be disbursed pursuant to Section 7.6(c).

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8.9 Allocation Process for TP Deliverability

8.9.2 Second Component: Allocating TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request.

- (A) To Interconnection Customers that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.

- (B) To Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C) To Interconnection Customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To Interconnection Customers electing to be subject to Section 8.9.2.3.

Energy Only capacity seeking TP Deliverability may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after FCDS and PCDS Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a \$60,000 study deposit for each Interconnection Request seeking TP Deliverability. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The funds will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the TP Deliverability studies for the Energy Only Interconnection Customers. Any and all costs of the Energy Only TP Deliverability study will be borne by the Interconnection Customer. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the study. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced.

All power purchase agreements in this Section 8.9 must require Deliverability for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix DD will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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8.9.2.2 Proceeding without a Power Purchase Agreement prior to September 1, 2022

Interconnection Customers that received TP Deliverability in this group and parked portions of their Interconnection Request that did not receive TP Deliverability may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection Customers that received TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.

If an Interconnection Customer received TP Deliverability on the basis that it is proceeding without a power purchase agreement, it may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or modify its Commercial Operation Date beyond the earlier of (a) the date established in its Interconnection Request when it requests TP Deliverability or (b) seven (7) years from the date the CAISO received its Interconnection Request. Extensions due to Participating TO construction delays will extend these deadlines equally. Where the Interconnection Customer has executed a power purchase agreement, it may request to align its construction timeline and Commercial Operation Date for the deliverable MW capacity procured by the power purchase agreement consistent with Section 6.7.5. This change in milestones cannot impact the timing of shared Interconnection Facilities or Network Upgrades. Interconnection Customers that fail to proceed toward their Commercial Operation Date under these requirements and as specified in their GIA will be converted to Energy Only. Interconnection Customers that become Energy Only for this or any reason may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

This Section 8.9.2.2 does not apply to Interconnection Customers that attested to balance-sheet financing or otherwise receiving a commitment of project financing before November 27, 2018, or that do so pursuant to Section 8.9.3.1.

8.9.2.3 TP Deliverability Group D

This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.

If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section. Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.

Beginning with the 2023-2024 TP Deliverability allocation process, Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.

For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

- (1) Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement.
- (2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.

Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability allocation may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this GIDAP, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that:

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or

- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

The Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customers may elect to reduce its Interconnection Financial Security as a result.

8.9.4 Parking for Option (A) Generating Facilities

For an Option (A) Generating Facility in the current Interconnection Study Cycle that either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following options:

- (1) Withdraw its Interconnection Request
- (2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any Interconnection Financial Security shall be adjusted to remove the obligation for Interconnection Financial Security pertaining to LDNUs
- (3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.

An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. An Interconnection Customer that has elected to park its Interconnection Request (option (3)) will not be tendered a GIA until it concludes its parking by accepting a TP Deliverability allocation or converting to Energy Only Deliverability Status and has made its second Interconnection Financial Security posting pursuant to Section 11.3. Parked Interconnection Customers may not submit modification requests except for the following modifications:

- (1) reducing the Interconnection Service Capacity;
- (2) changing fuel type or technology;
- (3) Permissible Technological Advancements; or
- (4) changing the Point of Interconnection.

Parked Interconnection Customers must post their second Interconnection Financial Security prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this GIDAP.

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8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this GIDAP, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

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Section 16. Cluster 14 Unique Procedures

The CAISO tariff and the GIDAP will apply to Queue Cluster 14 with the following exceptions:

16.1 Study Procedures and Timelines

- a) The CAISO will validate Cluster 14 Interconnection Requests by September 26, 2021. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 14.
- b) GIDAP provisions stating when the CAISO and Participating TOs must initiate Interconnection Studies will not apply.
- c) The CAISO will publish Phase I Interconnection Studies no later than September 15, 2022. The Phase I Interconnection Study will not include system-level stability analyses.
- d) Interconnection Customers may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (5) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than thirty (30) calendar days following the Results Meeting.
- e) No later than the earlier of (1) ninety (90) days after the publication of the Phase I Interconnection Study or (2) January 13, 2023, Interconnection Customers must (1) submit an updated, valid dynamic model to the CAISO, and (2) post their initial Interconnection Financial Security.
- f) The CAISO will publish Phase II Interconnection Studies no later than November 24, 2023.

- g) Phase I and Phase II Interconnection Study Results meetings will occur with ninety (90) days of publication.
- h) The CAISO will publish the results of the TP Deliverability allocation process no later than March 23, 2024.
- i) Interconnection Customers must post their second Interconnection Financial Security no later than the earlier of (1) ninety (90) days after the publication of the Phase II Interconnection Study or (2) May 4, 2024.
- j) Unless the CAISO issues a Market Notice stating otherwise, the CAISO will not open the Queue Cluster 15 Cluster Application Window in 2022. The CAISO will open the Queue Cluster 15 Cluster Application Window in 2023 pursuant to Section 3.3.
- k) Deadlines related to Interconnection Customers that elect to park their Interconnection Requests will be extended consistent with this Section, including for Interconnection Financial Security postings.
- l) If an Interconnection Customer withdraws after posting its initial Interconnection Financial Security but before demonstrating Site Exclusivity, its Site Exclusivity Deposit will not be refunded, and will be processed with non-refundable funds described in Section 7.6.
- m) On or before their initial Interconnection Financial Security posting, Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities. On or before their second Interconnection Financial Security posting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

The CAISO and Participating TOs will use Reasonable Efforts to meet all deadlines in the GIDAP and this Section 16, and may publish study results early or otherwise accelerate the interconnection process where possible. The CAISO will publish Interconnection Studies simultaneously for all the Participating TOs.

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APPENDIX 11

[Not Used]

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Section 24

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24.4.7 Description of Transmission Solutions

The transmission solutions identified in the draft and final comprehensive Transmission Plan that are subject to the competitive solicitation process will provide sufficient engineering detail to permit Project Sponsors to submit complete proposals, under section 24.5.1 to build the identified transmission solution.

As further described in the Business Practice Manual, such details may include, but are not limited to:

- (a) Minimum Conductor Ampacity;
- (b) Approximate Line impedance required;
- (c) Approximate Series compensation levels;
- (d) Substation bus and breaker configuration;
- (e) Breaker clearing times;
- (f) Transformer characteristics (capacity, impedance, tap range);
- (g) Minimum Shunt capacitor and reactor sizes;
- (h) Minimum FACTS device specifications;
- (i) RAS requirements;
- (j) Planning level cost estimates;
- (k) Projected in-service date.

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24.8.1 Information Provided by Participating TOs

In addition to any information that must be provided to the CAISO under the NERC Reliability Standards, Participating TOs shall provide the CAISO on an annual or periodic basis in accordance with the schedule and procedures and in the form required by the Business Practice Manual any information and data reasonably required by the CAISO to perform the Transmission Planning Process, including, but not

limited to: (1) modeling data for power flow, including reactive power, short-circuit and stability analysis; (2) a description of the total Demand to be served from each substation, including a description of any Energy efficiency programs reflected in the total Demand; (3) the amount of any interruptible Loads included in the total Demand (including conditions under which an interruption can be implemented and any limitations on the duration and frequency of interruptions); (4), a description of Generating Units to be interconnected to the Distribution System of the Participating TO, including generation type and anticipated Commercial Operation Date; (5) detailed power system models of their transmission systems that reflect transmission system changes, including equipment replacement not requiring approval by the CAISO; (6) Distribution System modifications; (7) transmission network information, including line ratings, line length, conductor sizes and lengths, substation equipment ratings, circuits on common towers and with common rights-of-ways and cross-overs, Remedial Action Schemes, and protection setting information; and (8) Contingency lists.

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Appendix L

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L.8 Limits for Contingency Limitations

Transfer limits are developed when the post-Contingency loading on a transmission element may breach the element's emergency rating. The type of limit utilized is dependent on the application and includes one of the following limits:

- Simple Flow Limit - best utilized when the derived limit is repeatable or where parallel transmission elements feed radial Load.
- RAS - existing Remedial Action Schemes (RAS) may impact the derivation of simple flow limits. When developing the limit, the CAISO determines if the RAS will be in-service during the Outage and factors the interrelationship between the RAS and the derived flow limit. CAISO will update the transfer limits in recognition of the changing status and/or availability of the RAS.

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Appendix S

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1.3 Application

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1.3.4 Modifications

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1.3.4.2 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

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1.4 Reductions in Generating Facility Capacity

1.4.1 De Minimis Capacity Reductions

If, at the time an Interconnection Customer achieves Commercial Operation, the actual MW capacity of its Generating Facility is reduced by no more than the greater of five percent (5%) of its MW capacity or 10 MW, but by no more than twenty-five percent (25%) of the MW capacity of the Generating Facility, such a reduction shall not constitute a breach of the Interconnection Customer's obligations under the CAISO Tariff or its Generator Interconnection Agreement. The MW capacity value of a Generating Facility for purposes of this section shall be established by reference to the capacity as set forth in the Interconnection Customer's currently applicable Generator Interconnection Agreement. No capacity reductions permitted under this section shall operate to diminish the Interconnection Customer's responsibility for any costs or other obligations set forth in its Generator Interconnection Agreement or the CAISO Tariff.

1.4.2 [Not Used].

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Appendix T

Attachment 7

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS SMALL GENERATING FACILITY

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A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7 or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i. of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.

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Appendix U

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3.9.2 [Not Used]

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4.4.6 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix U will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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Appendix V

Appendix H to LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the

remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the CAISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the CAISO Controlled Grid for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.

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Appendix Y

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3.10.2 [Not Used]

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6.9.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible Remedial Action Scheme, distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material

procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the CAISO and Participating TO, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under GIP Section 13.5. The Interconnection Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under GIP Section 13.5.

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6.9.2.3

The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix Y will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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Appendix Z

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**Appendix H
To LGIA**

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

All wind generating plants subject to FERC Order No. 661 must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the CAISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the CAISO Controlled Grid for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.

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Appendix BB

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Appendix H To LGIA

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.

5. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.

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Appendix CC

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Appendix H To LGIA

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
5. The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a Remedial Action Scheme.

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Appendix EE

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Article 1. Definitions

Reliability Network Upgrades (RNU) shall mean the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

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Appendix FF

Attachment 1

Glossary of Terms

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Reliability Network Upgrades (RNU) - The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more

Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or system operating limits. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

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APPENDIX HH

[Not Used]

Attachment B – Marked Tariff
Interconnection Process Enhancements
California Independent System Operator Corporation
June 2, 2022

Definitions (Appendix A to the CAISO tariff)

~~- Downsizing Generator~~[Not Used]

~~An Interconnection Customer that submits a valid Generator Downsizing Request and participates in the Generator Downsizing Process under Section 7.5 of the GIDAP.~~

~~- Downsizing Generator Payment Obligation Agreement~~[Not Used]

~~The form of agreement set forth in Appendix 11 of the GIDAP, obligating the Downsizing Generator to pay (1) its share of the costs of studying Generator Downsizing Requests in the next reassessment process to be performed pursuant to Section 7.4 of the GIDAP, and (2) the costs of amending its Generator Interconnection Agreement in order to implement the results of the annual Generator Downsizing Process.~~

~~- Generator Downsizing Deposit~~[Not Used]

~~A deposit in the amount of sixty thousand dollars (\$60,000) to be submitted as part of the Generator Downsizing Request.~~

~~- Generator Downsizing Process~~[Not Used]

~~The annual process set forth in Section 7.5 of the GIDAP pursuant to which Interconnection Customers can request reductions to the megawatt capacity of their Small or Large Generating Facilities. — Generator Downsizing Request A request submitted under Section 7.5 of the GIDAP to reduce the megawatt generating capacity of a Small or Large Generating Facility.~~

~~- Generator Downsizing Request~~[Not Used]

~~A request submitted under Section 7.5 of the GIDAP to reduce the megawatt generating capacity of a Small or Large Generating Facility.~~

~~- Generator Downsizing Request Window~~[Not Used]

~~The annual time period during which Interconnection Customers may submit Generator Downsizing Requests for inclusion in the associated annual Generator Downsizing Process. The Generator Downsizing Request Window will open on October 15 and close on November 15 of each calendar year.~~

- Interconnection Customer

Any entity, including a Participating TO or any of its Affiliates or subsidiaries, that proposes to interconnect its Generating Facility, or modify its existing interconnection, with the CAISO Controlled Grid.

- Reliability Network Upgrade

The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management, ~~or~~ Operating Procedures, ~~or Special Protection Systems~~ based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

- Remedial Action Schemes (RAS)

Reliability Network Upgrades consisting of Pprotective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response (including Outages) to unplanned power system events. Also, details of RAS logic and any special requirements for arming of RAS schemes, or changes in RAS programming, that may be required. Remedial Action Schemes are also referred to as sSpecial pProtection sSystems.

- Site Exclusivity

Documentation reasonably demonstrating:

(1) For private landsites:

- (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or

(b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility.

(2) For public ~~landsites~~, including that controlled or managed by any federal, state, or local agency, a ~~final, non-appealable~~ permit, license, ~~or other right~~, or pending application prescribed by the relevant authority, to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, ~~which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.~~

- Site Exclusivity Deposit

The cash deposit provided to the CAISO by Interconnection Customers under GIP and GIDAP Section 3.5.1 ~~set forth in Appendix Y~~ as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request ~~and treated in accordance with GIP Section 3.5.1.4 set forth in Appendix Y.~~

~~-Special Protection System (SPS) [Not Used]~~

~~An automatic protection system designed to detect abnormal or predetermined system conditions, and take corrective actions other than and/or in addition to the isolation of faulted components to maintain System Reliability. Such action may include changes in Demand, Generation (MW and MVar), or system configuration to maintain system stability, acceptable voltage, or power flows. An SPS does not include (a) Underfrequency Load Shedding or undervoltage Load Shedding or (b) fault conditions that must be isolated or (c) out-of-step relaying (not designed as an integral part of an SPS). An SPS is also sometimes called a Remedial Action Scheme.~~

~~-SPS [Not Used]~~

~~Special Protection System~~

GIDAP (Appendix DD to the CAISO tariff)

Section 1 Objectives And Applicability

1.1 Objectives and Applicability

The objective of this Generation Interconnection and Deliverability Allocation Procedures (GIDAP) is to implement the requirements for both Small and Large Generating Facility interconnections to the CAISO Controlled Grid and to provide a process for allocating Transmission Plan Deliverability for Interconnection Requests starting with Queue Cluster 5 and for subsequent Queue Clusters. This GIDAP applies to Interconnection Requests that are either assigned to Queue Cluster 5 and subsequent Queue Clusters, or submitted for the Independent Study Process, or Fast Track Process after July 25, 2012. The ~~two~~ exceptions to this rule of limited applicability ~~is~~ ~~(i)~~ the annual reassessment process set forth in Section 7.4, which shall apply to all CAISO Interconnection Customers in Queue Clusters, ~~and (ii) the annual Generator Downsizing Process set forth in Section 7.5 which shall apply to all eligible Interconnection Customers, regardless of which interconnection procedures under the CAISO Tariff they are subject to.~~

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Section 2 Scope and Application

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2.4.3.2 The Reassessment Prior to Phase II Interconnection Studies

Before undertaking the Phase II Interconnection Studies, the CAISO will conduct a reassessment, as specified in Section 7.4, to conform the Base Case and Interconnection Base Case Data to account for later conditions since the CAISO performed the Phase II Interconnection Study in the prior Interconnection Study Cycle, ~~and to account for the impact of Downsizing Generators pursuant to Section 7.5.~~

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Section 3 Interconnection Requests

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3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

Except for Interconnection Customers requesting processing under the Independent Study Process or Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window will open on April 1 and close on April 15 of each year. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day.

3.3.2 Timing for Submitting Interconnection Requests for Independent Study Process and Fast Track Process

Interconnection Customers may submit Interconnection Requests for processing under the Independent Study Process or the Fast Track Process at any time during the year.

3.3.3 Timing for Wholesale Distribution Transfers

After the Cluster Application Window, the CAISO will accept Interconnection Requests from Utility Distribution Companies that accepted interconnection requests for wholesale participation the Interconnection Customer reasonably believed were to the distribution grid based on available information, but should have been to the CAISO Controlled Grid. The CAISO will only accept those Interconnection Requests it can include in the Phase I Interconnection Study without delaying that Queue Cluster. The CAISO will not accept any Interconnection Request transfers after the commencement of the Phase I Interconnection Study.

After the Utility Distribution Company has transferred the Interconnection Request to the CAISO, the CAISO will notify the Interconnection Customer whether it can be included in the Phase I Interconnection Study and request any data still required under Section 3.5.1.

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3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window, or at any time during the year for proposed Generating Facilities applying for processing under the Independent Study Process:

- (i) An Interconnection Study Deposit of \$150,000.
- (ii) A completed application in the form of Appendix 1, including requested Deliverability statuses, requested study process (either Queue Cluster or Independent Study Process), preferred Point of Interconnection and voltage level, and all other required technical data, including all data requested in Attachment A to Appendix 1 in Excel format.
- (iii) Demonstration of Site Exclusivity or, for Interconnection Requests in a Queue Cluster, a posting of a Site Exclusivity Deposit of ~~\$100~~250,000 for a Small Generating Facility or ~~\$250~~500,000 for a Large Generating Facility. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.
- (iv) A load flow model.
- (v) A dynamic data file.
- (vi) A reactive power capability document.
- (vii) A site drawing.
- (viii) A single-line diagram.
- (ix) A flat run plot and a bump test plot from the positive sequence transient stability simulation application.

- (x) A plot showing the requested MW at the Point of Interconnection from the positive sequence load flow application.

The CAISO requires the foregoing information to be complete and specific to the Interconnection Request. The CAISO will first determine whether a submitted Interconnection Request is complete. The CAISO will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received by the CAISO. Consistent with Section 3.5.3, the CAISO will review each Interconnection Request and notify the Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Any Interconnection Customer that has not submitted a complete Interconnection Request by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 3.5.2 of this GIDAP or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO will include examples of how Interconnection Customers can demonstrate Site Exclusivity, including on public sites, in its Business Practice Manual.

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3.5.1.2 Obligation for Study Costs.

Except as otherwise provided in Section 3.5.1.1, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

Following offsets from non-refundable Site Exclusivity Deposit funds, the actual costs of each reassessment, as set forth in Section 7.4, will be divided and allocated equally amongst the following Interconnection Customers:

- ~~(1)~~ Interconnection Customers whose Generating Facilities are being studied in the applicable reassessment for purposes of utilizing the Generator Downsizing Process set forth in Section 7.5;
- (2) Interconnection Customers whose Generating Facilities' Phase II Interconnection Studies were completed in the most recent Interconnection Study Cycle prior to the applicable reassessment;
- (3) Interconnection Customers whose Generating Facilities are parked pursuant to this GIDAP at the time of the applicable reassessment process; and

- (34) Interconnection Customers with Interconnection Requests for Generating Facilities in Queue Clusters for whose Interconnection Studies the results of the applicable annual reassessment process will be used to establish the Base Case.

An Interconnection Customer will be allocated a single share of the actual costs of the reassessment per Generating Facility in these four categories, even if a Generating Facility falls within more than one of these categories.

The Participating TO and any third parties performing work on the Interconnection Customer's behalf shall invoice the CAISO for such work, and the CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the Interconnection Study Deposit any undisputed costs within thirty (30) calendar days of issuance of an invoice. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study, or portions thereof, is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study or portions thereof.

3.5.1.3 Use of Site Exclusivity Deposit.

The CAISO shall deposit all Site Exclusivity Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site Exclusivity Deposit and all interest shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity. ~~or For Site Exclusivity Deposits provided after September 1, 2022, if the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the CAISO by written notice under -Section 3.8 thirty (30) calendar days after the Scoping Meeting and before demonstrating Site Exclusivity, fifty percent (50%) of the Site Exclusivity will be non-refundable and subject to Section 7.6 of this GIDAP.~~ The refund of the Site Exclusivity Deposit shall include interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal on the refundable portion only. ~~The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a GIA or requests the filing of an unexecuted GIA under Section 13 if Site Exclusivity has not been demonstrated.~~

Interconnection Customers in Clusters 15 and thereafter may not use Site Exclusivity Deposits after the Phase I Interconnection Study. Interconnection Customers must demonstrate Site Exclusivity for the Generating Facility at least ten (10) Business Days prior to the initial Interconnection Financial Security posting is required. Interconnection Customers that fail to demonstrate Site Exclusivity prior to this deadline will be deemed withdrawn.

3.5.1.4 Proposed Commercial Operation Date.

The proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO,

unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period. The CAISO's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 for retention of TP Deliverability.

3.5.1.5 Third-party Interconnection Facilities.

Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities to be deemed valid pursuant to Section 3.5.2. On or before their initial Interconnection Financial Security posting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

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3.10 Emergency Interconnection Process

The CAISO and Participating TO(s) may conduct expedited studies to approve emergency interconnections when all of the following conditions are satisfied:

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis;
- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;
- (c) The interconnection would not have a negative impact on the cost or timing of any existing Interconnection Request unless the impacted Interconnection Request belongs to the same developer and the developer consents to the impact;
- (d) The interconnection does not require Network Upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this GIDAP;
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;
- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The Interconnection Customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAP and supplanting the emergency GIA or amendment;
- (g) The emergency interconnection will be ineligible for Delivery Network Upgrades or TP Deliverability except Interim Deliverability consistent with Section 4.6 of this GIDAP, or until it can obtain TP Deliverability by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAP;

(h) The emergency interconnection will not impact Affected Systems; and

(i) The expedited studies confirm the interconnection may mitigate the emergency.

The Interconnection Customer will provide the CAISO a \$50,000 deposit and all necessary technical information to assess the interconnection. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the assessment. If the actual costs of the assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the assessment with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO and Participating TO(s) will conduct all necessary studies, publish study results, and tender a draft GIA or amendment to the Interconnection Customer.

Notwithstanding any other provision, all refunds pursuant to this section will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 [Intentionally Omitted]

6.1.2 Scoping Meeting

The CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. All Scoping Meetings shall occur no later than June 30, unless otherwise mutually agreed upon by the Parties. The CAISO shall evaluate whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, in such case, the CAISO shall invite the affected Participating TO(s), and/or Affected System Operator(s) in accordance with Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information. The applicable Participating TO(s) and the CAISO will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) such

already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues, and (b) general information regarding the number, location, and capacity of other Interconnection Requests in the Interconnection Study Cycle that may potentially form a Group Study with the Interconnection Customer's Interconnection Request.

The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Attachment A to Appendix 1, any system studies previously performed. The applicable Participating TO(s), the CAISO and the Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, the Interconnection Customer shall designate its Point of Interconnection. The Point of Interconnection and any resultant site change must remain within the same study area as the Point of Interconnection submitted in the original Interconnection Request. The duration of the meeting shall be sufficient to accomplish its purpose.

The CAISO shall prepare minutes from the meeting, and provide the Interconnection Customer and the other attendees an opportunity to confirm the accuracy thereof, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.

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6.7.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible ~~Special Protection System (SPS)~~ Remedial Action Scheme, distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the CAISO and Participating TO, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under Section 15.5. The Interconnection

Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under Section 15.5.

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6.7.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Phase I Interconnection Study, but no later than ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.

Modifications permitted under this Section shall include specifically:

- (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;
- (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics;
- (c) modifying the interconnection configuration;
- (d) modifying the In-Service Date, Initial Synchronization Date, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld;
- (e) change in Point of Interconnection as set forth in Section 6.7.2.1;
- (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status;
- ~~(g) — De minimis reductions in capacity pursuant to Section 7.5.13,~~
- (gh) Permissible Technological Advancements consistent with Section 6.7.2.4; and
- (hi) change from Off-Peak Deliverability Status to Off-Peak Energy Only.

For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The

CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this Section.

If any Interconnection Customer requested modification after the Phase II Interconnection Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

- 6.7.2.3** The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

~~The CAISO will defer evaluation of any modification requested pursuant to this section by an Interconnection Customer participating in the Generator Downsizing Process until the completion of that Generator Downsizing Process, as set forth in Section 7.5.2.~~

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix DD will

be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the \$10,000 deposit, by November 30 to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A dDownsizing gGenerator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the dDownsizing gGenerator as determined by the CAISO Tariff interconnection study procedures applicable to the dDownsizing gGenerator. For determining any changes to a dDownsizing gGenerator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the dDownsizing gGenerator's pre-downsizing share of the original cost allocation.

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6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for an ~~Interconnection Customer~~ Generating Facility with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such

documentation as data adequate for the authority to initiate its review process;

- b) Providing proof of having an executed and regulator-approved power purchase agreement. Power purchase agreements must have the point of interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Exclusivity for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Exclusivity Deposit does not satisfy this criterion;
- d) Having an executed Generator Interconnection Agreement (“GIA”); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

Interconnection Customers that satisfied these commercial viability criteria before November 27, 2018 on the basis of balance-sheet or binding financing may continue to do so in their annual review. The CAISO’s agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this GIDAP.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility’s Deliverability Status will become Energy Only Deliverability Status. ~~–~~ Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Interconnection Financial Security for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer’s assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the Generating Facility that is in service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. However, where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes pursuant to Section 7.5 to the amount in service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Phase II Interconnection Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Phase II Interconnection Study report. This exemption is inapplicable to report addenda or revisions required by a request from an Interconnection Customer for any reason.

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6.8 Revisions and Addenda to Final Interconnection Study Reports

6.8.1 Substantial Error or Omissions; Revised Study Report

Should the CAISO discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study Report (which can mean a final Phase I or Phase II Interconnection Study Report for cluster studies or a final system impact and facilities report for the Independent Study Process) contains a substantial error or omission, the CAISO will cause a revised final report to be issued to the Interconnection Customer.

A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's Current Cost Responsibility, Maximum Cost Responsibility, Maximum Cost Exposure, and for either Network Upgrades or Participating TO Interconnection Facilities by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; ~~or~~
- (ii) ~~results in a delay to the schedule by which the Interconnection Customer can achieve of the~~ Commercial Operation Date, In-Service Date, or requested Deliverability Status, based on the results of the final Interconnection Study, by more than one year; or
- (iii) termination of the Interconnection Customer's power purchase agreement.

The CAISO will include examples of how Interconnection Customers can demonstrate power purchase agreement terminations in the Business Practice Manual. The CAISO will confirm power purchase agreement terminations with the Interconnection Customer's counterparty.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above. Changes to Interconnection Studies resulting from Interconnection Customer requests, including without limitation, modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.

6.8.2 Other Errors or Omissions; Addendum

If an error or omission in an Interconnection Study report (for either the cluster process or

Independent Study Process) is not a substantial error or omission, the CAISO shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the CAISO shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The CAISO and applicable Participating TO shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to Section 13.

6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates

Only substantial errors and omissions related to the Phase I and Phase II study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this Section 6.8 no longer apply. Any error or omission found after the second Interconnecting Financial Security posting will not impact the Interconnection Customer's Assigned Cost Responsibility, Maximum Cost Responsibility, or Maximum Cost Exposure.

Unless the error or omission is substantial, resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission will not delay any deadline for posting Interconnection Financial Security set forth in Section 11. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in Section 11. In addition to issuing a revised final report, the CAISO will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a CAISO determination that an error or omission in a final Study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with Section 11, subject to refund in the event that the Interconnection Customer prevails in the dispute.

6.8.4 Substantial Errors or Omissions Allowing Refunds

Notwithstanding Sections 3.5.1 and 11.4, after the Interconnection Customer has posted its Initial Interconnection Financial Security, it is eligible for a one-hundred percent (100%) refund of its remaining, unspent Interconnection Financial Security and all remaining, unspent Interconnection Study Deposit funds if:

- (i) it receives a substantial error or omission; and
- (ii) it withdraws its Interconnection Request within sixty (60) days of the publication of the revised Study Report or the termination of its power purchase agreement resulting from the substantial error or omission, as applicable.

Section 7 Activities in Preparation for Phase II

Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of

Appendix B (Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to the Generator Interconnection Study Process Agreement. The CAISO and Participating TO will determine whether the Appendix B data is valid. Appendix B data will be deemed valid if it does not contain deficiencies that would prevent inclusion in the Phase II Interconnection Studies. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files. The CAISO and Participating TO will notify the Interconnection Customer whether its Appendix B data is valid or contains deficiencies within ten (10) Business Days of the initial and any subsequent submission. Interconnection Customers must cure any deficiency within five (5) Business Days. All Appendices B must be deemed valid within seventy (70) days of the publication of the Phase I Interconnection Study to be included in the Phase II Interconnection Studies. Within such Appendix B, Interconnection Customers seeking Full or Partial Deliverability Capacity will provide the information in 7.2 below:

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7.4 Reassessment Process

7.4.1 The CAISO will perform a reassessment of the Phase I Interconnection Study base case prior to the beginning of the GIDAP Phase II Interconnection Studies. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Phase I Interconnection Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the Phase II Interconnection Studies for the immediately preceding Queue Cluster;
- (b) ~~Generator Downsizing Requests submitted in the most recent Generator Downsizing Request Window that meet the requirements set forth in Section 7.5, and Generating Facilities that are to have their generating capacities reduced pursuant to Sections 8.9.4, 8.9.5, and 8.9.6~~downsizing requests from Interconnection Customers pursuant to Section 6.7.2.3;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) changes in TP Deliverability allocations or Deliverability Status;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The reassessment will be used to develop the base case for the Phase II Interconnection Study

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7.5 ~~Generator Downsizing Process~~[Not Used]

7.5.1—Objectives and Applicability

~~In accordance with the requirements set forth in this Section 7.5, the CAISO shall conduct, on an annual basis, a process for evaluating requests by Interconnection Customers to reduce Interconnection Service Capacity. In each annual cycle of this Generator Downsizing Process, the CAISO will process valid Generator Downsizing Requests submitted during the applicable Generator Downsizing Request Window as part of the annual reassessment process set forth in Section 7.4.~~

~~All reductions to Interconnection Service Capacity by Interconnection Customers shall utilize this annual Generator Downsizing Process unless explicitly exempted. Specifically, beginning on the date of the opening of the annual Generator Downsizing Request Window, all proposed reductions of Interconnection Service Capacity by Interconnection Customers shall, regardless of the dates of the Interconnection Customer's Interconnection Request(s), be subject to the requirements and procedures of the Generator Downsizing Process set forth in Section 7.5, except for MW capacity reductions made pursuant to the following: (1) the provisions of the CAISO's interconnection procedures that permit Interconnection Customers to reduce the size of their Generating Facilities between the Phase I and Phase II Interconnection Studies, as set forth in Section 6.7.2; (2) specific non-conforming provisions of an Interconnection Customer's Generator Interconnection Agreement that provide the Interconnection Customer with an explicit right to reduce the capacity of its Generating Facility through a partial termination of its Generator Interconnection Agreement; (3) the de minimis threshold set forth in Section 7.5.13.1; (4) the parking options set forth in Sections 8.9.4, 8.9.5, and 8.9.6; (5) modifications made pursuant to Section 6.7.2 to reduce Generating Facility Capacity without decreasing Interconnection Service Capacity where the Generating Facility Capacity still exceeds the Interconnection Service Capacity; and (6) where the CAISO and Participating TO determine no study is required.~~

~~Generator Downsizing Requests that meet the eligibility requirements set forth in this Section 7.5 will be studied as part of the next annual reassessment process set forth in Section 7.4.~~

7.5.2—Modifications Other than Generator Downsizing Requests

~~Proposed modifications to Generating Facilities other than proposed reductions in the megawatt capacities of Generating Facilities are separately addressed in Section 6.7.2 and in the modification provisions under other CAISO interconnection procedures and are beyond the scope of the annual Generator Downsizing Process. Such proposed modifications must be submitted separately and will not be evaluated as part of the Generator Downsizing Process under this Section 7.5.~~

~~The CAISO will defer evaluation of any other proposed modification made by an Interconnection Customer that is participating in the annual Generator Downsizing Process until the completion of the applicable annual Generating Downsizing Process. Other than the deferral of such modification requests, nothing in this Section 7.5.2 will diminish the rights of the Interconnection Customer to request a modification pursuant to the applicable interconnection procedures under which the Interconnection Customer's Interconnection Request is being processed.~~

7.5.3—Eligibility to Participate in Generator Downsizing Process

~~In order to be eligible to participate in the current annual Generator Downsizing Process, an Interconnection Customer, including Interconnection Customers that have achieved their Commercial Operation Date, must meet the following good standing requirements by the close of the applicable Generator Downsizing Request Window:~~

- (a) ~~The Interconnection Customer has complied with all applicable requirements of the CAISO Tariff under which the Interconnection Request is being processed, including timely submittal of all Interconnection Financial Security postings that have come due.~~
- (b) ~~The Interconnection Request has not been withdrawn or deemed withdrawn by the CAISO. If the Interconnection Customer has received a notice of deemed withdrawal for which the cure period has expired without sufficient cure being made, then the Interconnection Customer will not be eligible to submit a Generator Downsizing Request. If the Interconnection Customer has received a notice of deemed withdrawal for which the cure period has not expired at the time of the close of the applicable Generator Downsizing Request Window and such cure period subsequently expires without sufficient cure being made, the Interconnection Customer's Generator Downsizing Request will be deemed withdrawn.~~
- (c) ~~The Interconnection Customer is in compliance with the terms of its Generator Interconnection Agreement, including Interconnection Customer milestones, and has not received a notice of breach for which the cure period has expired without sufficient cure being made. If the Interconnection Customer has received a notice of breach for which the cure period has not expired at the time of the close of the applicable Generator Downsizing Request Window and such cure period subsequently expires without sufficient cure being made, the Interconnection Customer's Generator Downsizing Request will be deemed withdrawn.~~

~~An Interconnection Customer in Section 7.5.3 that meets all applicable eligibility requirements set forth in Section 7.5, including the payment of any related costs, and that participates in the applicable annual Generator Downsizing Process, will not be considered in breach of its obligations under the CAISO Tariff or its Generator Interconnection Agreement due to failing to place into service the megawatt capacity set forth in its Generator Interconnection Agreement. This Section 7.5.3 will not operate to diminish the responsibility of an Interconnection Customer above for any costs or other obligations set forth in the CAISO Tariff or its Generator Interconnection Agreement.~~

7.5.4 ~~Generator Downsizing Request~~

~~An Interconnection Customer that wishes to utilize the annual Generator Downsizing Process, and meets the eligibility requirements set forth in Section 7.5.3, must submit a Generator Downsizing Request application to the CAISO in the form set forth on the CAISO Website. The CAISO will forward a copy of the submitted Generator Downsizing Request application to the applicable Participating TO(s) within five (5) Business Days after the close of the applicable Generator Downsizing Request Window.~~

~~The CAISO will evaluate for eligibility to be included in the annual Generator Downsizing Process all Generator Downsizing Requests that are submitted during the applicable Generator Downsizing Request Window.~~

7.5.5 ~~Processing a Generator Downsizing Request~~

7.5.5.1 ~~Initiating the Generator Downsizing Request~~

~~To initiate the Generator Downsizing Request, an Interconnection Customer must submit both of the following by the close of the applicable Generator Downsizing Request Window:~~

~~(i) A completed Generator Downsizing Request application in the form set forth on the CAISO Website, including all technical data required by the Generator Downsizing Request.~~

~~(ii) The Generator Downsizing Deposit.~~

~~Failure to submit either of the two items listed in this Section 7.5.5.1 will void the application, while submitting item (i) with some errors or omissions will not void the application provided the Interconnection Customer cures the deficiency pursuant to Section 7.5.5.2.2.~~

~~7.5.5.2 Validating the Generating Downsizing Request~~

~~7.5.5.2.1 Notification and Execution of Downsizing Generator Payment Obligation Agreement~~

~~The CAISO will notify the Interconnection Customer no later than ten (10) Business Days after the close of the applicable Generator Downsizing Request Window whether its Generator Downsizing Request is deemed complete, valid, and ready to be studied. If the Generator Downsizing Request is deemed complete, valid, and ready to be studied, the CAISO will execute a the Downsizing Generator Payment Obligation Agreement in the form set forth in Appendix 11 to this GIDAP and tender the executed agreement to the Interconnection Customer. The Interconnection Customer will then execute the Downsizing Generator Payment Obligation Agreement and provide a fully executed copy back to the CAISO.~~

~~7.5.5.2.2 Deficiencies in the Request as to Application Information~~

~~A Generator Downsizing Request will not be considered to be a valid request until the CAISO determines that the information contained in the Generator Downsizing Request is complete and that the Interconnection Customer has complied with all of the requirements of Section 7.5.5.1.~~

~~The CAISO will provide the Interconnection Customer with an opportunity to cure a deficiency in the Generator Downsizing Request only if the deficiency pertains to the application required by Section 7.5.5.1(i). In that event, the CAISO will notify the Interconnection Customer, at the time it provides its notification in Section 7.5.5.2.1, of the reason(s) that the application is deficient and will request additional information to cure the deficiency.~~

~~In order to remain eligible to participate in the associated Annual Downsizing Process set forth in Section 7.5, the Interconnection Customer must provide the additional requested information needed to constitute a valid Generator Downsizing Request. Whenever the Interconnection Customer provides additional requested information, the CAISO will notify the Interconnection Customer within five (5) Business Days of receipt of that information whether the Generator Downsizing Request is valid. If the Generator Downsizing Request continues to fail to meet the requirements set forth in Section 7.5.5.1(i), the CAISO will include in its notification to the Interconnection Customer the reasons for such failure.~~

~~If a Generator Downsizing Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of Section 7.5.5.1(i) no later than twenty (20) Business Days after the close of the applicable Generator Downsizing Request Window or ten (10) Business Days after the CAISO first provided notice that the Generator Downsizing Request was not valid, whichever is later. Otherwise, the Generator Downsizing Request will be deemed invalid and will not be studied in the next reassessment to be performed pursuant to this GIDAP. If the Generator Downsizing Request is deemed invalid, the CAISO will notify the Participating TO(s) and refund the Interconnection Customer's Generator Downsizing Deposit, less any costs incurred in validating the Generator Downsizing Request.~~

~~7.5.6—Withdrawal of Generator Downsizing Request~~

~~An Interconnection Customer may withdraw its Generator Downsizing Request anytime before the close of the applicable Generator Downsizing Request Window, but may not do so thereafter. Following a timely withdrawal under this Section 7.5.6, the CAISO will refund the Generator Downsizing Deposit of the Interconnection Customer, less any costs incurred by the CAISO, applicable Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s) in validating the Generator Downsizing Request. If the Interconnection Customer's Interconnection Request is withdrawn or deemed withdrawn after the close of the applicable Generator Downsizing Request Window, the Interconnection Customer's Generator Downsizing Request will also be deemed withdrawn and the Interconnection Customer will forfeit its Generator Downsizing Deposit. Any partial recovery of the Interconnection Financial Security for Network Upgrades under Sections 11.4.2.1 and 11.4.2.2 will therefore be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.~~

~~7.5.7—Use of Generator Downsizing Deposits~~

~~The CAISO will deposit all Generator Downsizing Deposits in an interest-bearing account at a bank or financial institution designated by the CAISO. The Generator Downsizing Deposits will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the generator downsizing process and to communicate with Downsizing Generators with respect to their Generator Downsizing Requests.~~

~~These costs will include but not be limited to:~~

- ~~1. The costs of studying the Generator Downsizing Request in the reassessment process performed pursuant to Section 3.5.1.2; and~~
- ~~2. The costs associated with amending the Generator Interconnection Agreement of the Downsizing Generator to incorporate changes resulting from the Generator Downsizing Process.~~

~~7.5.8—Obligations of Downsizing Generators for Costs of Studying Generator Downsizing Requests in the Reassessment~~

~~A Downsizing Generator will be responsible for its share of all actual costs incurred by the CAISO, applicable Participating TO(s), and/or third parties at the direction of the~~

~~CAISO and applicable Participating TO(s) in connection with studying its Generator Downsizing Request in the next reassessment process to be performed pursuant to Section 7.4, as set forth in Section 7.4.2.~~

~~7.5.9—Obligations of Downsizing Generators for Costs of Amending GIAs~~

~~A Downsizing Generator will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) to amend its Generator Interconnection Agreement, including an agreement that is tendered but not yet executed, pursuant to Section 7.5.12 to incorporate changes resulting from the Generator Downsizing Process.~~

~~7.5.10—Invoicing and Payment of Downsizing Costs~~

~~The applicable Participating TO(s) will invoice the CAISO for any work performed by the applicable Participating TO(s), and/or work performed at the applicable Participating TO(s)' direction pursuant to this Section 7.5 within seventy five (75) calendar days of completion of the work. Within thirty (30) calendar days thereafter, the CAISO will:~~

- ~~(i) apply each Generator Downsizing Deposit towards the Downsizing Generator's obligations for the actual costs incurred by the CAISO, applicable Participating TO(s), and/or third parties at the direction of the CAISO and applicable Participating TO(s) pursuant to Sections 7.5.8 and 7.5.9.~~
- ~~(ii) refund to the Downsizing Generator the unused balance of its Generator Downsizing Deposit, together with applicable interest from the interest-bearing account at the bank or financial institution into which the funds were deposited in accordance with Section 7.5.7, if the Downsizing Generator's total cost obligation pursuant to Sections 7.5.8 and 7.5.9 is less than its Generator Downsizing Deposit.~~
- ~~(iii) invoice the Downsizing Generator for the balance of the costs. The Downsizing Generator will pay the amounts shown on any such invoice within thirty (30) calendar days of the date of the invoice, if the Downsizing Generator's total cost obligation pursuant to Sections 7.5.8 and 7.5.9 is greater than its Generator Downsizing Deposit.~~

~~7.5.11—Cost Allocation for Network Upgrades~~

~~A Downsizing Generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later queued Interconnection Customers, up to the Maximum Cost Exposure of the Downsizing Generator as determined by the CAISO Tariff interconnection study procedures applicable to the Downsizing Generator. For determining any changes to a Downsizing Generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the Downsizing Generator's pre-downsizing share of the original cost allocation.~~

~~7.5.12—Reflecting Plan of Service Changes in GIAs~~

~~After the completion of the reassessment process performed pursuant to Section 7.4, each Downsizing Generator that has (1) a Generator Downsizing Request approved~~

~~pursuant to this GIDAP and (2) an executed Generator Interconnection Agreement, a draft amendment to the Generator Interconnection Agreement that reflects the Generator Downsizing Request of the Downsizing Generator will be provided as soon as possible. The reassessment report is considered an amendment to the Generator Interconnection Agreement until the Generator Interconnection Agreement can be formally amended. If the CAISO, applicable Participating TO(s), and Downsizing Generator have not begun negotiating or are in the process of negotiating a Generator Interconnection Agreement, the Generator Interconnection Agreement they negotiate will reflect the Generator Downsizing Request of the Downsizing Generator.~~

~~7.5.13 Reductions in Generating Facility Capacity~~

~~7.5.13.1 De Minimis Capacity Reductions~~

~~If the actual MW capacity of its Generating Facility is reduced by no more than the greater of five percent (5%) of its MW capacity or 10 MW, but not by more than twenty-five percent (25%) of the MW capacity of the Generating Facility, such a one-time reduction shall not constitute a breach of the Interconnection Customer's obligations under the CAISO Tariff or its Generator Interconnection Agreement. The MW capacity value of a Generating Facility for purposes of this section shall be established by reference to the capacity as set forth in the Interconnection Customer's currently applicable Generator Interconnection Agreement. No capacity reductions permitted under this Section 7.5.13 shall operate to diminish the Interconnection Customer's responsibility for any costs or other obligations set forth in its Generator Interconnection Agreement or the CAISO Tariff.~~

~~7.5.13.2 Capacity Reductions Exceeding the De Minimis Threshold~~

~~Any reduction in Generating Facility capacity that exceeds the de minimis threshold set forth in Section 7.5.13.1 will only be allowed pursuant to the Generator Downsizing Process set forth in Section 7.5, subject to the exceptions set forth in Section 7.5.1.~~

~~7.5.13.3 Interaction with Executed Generator Interconnection Agreements~~

~~With respect to an Interconnection Customer with an executed Generator Interconnection Agreement derived from either Appendix CC or Appendix EE to the CAISO Tariff, this Section 7.5.13 shall apply in lieu of Article 5.19.4 of the Generator Interconnection Agreement and any Generating Facility capacity reduction permitted under Article 5.19.4 shall be performed in accordance with and be subject to Section 7.5.13.~~

7.6 Application of Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse non-refundable interconnection study deposit and interconnection financial security amounts in accordance with the provisions of Appendix Y to the CAISO Tariff and this GIDAP as follows:

(a) **Withdrawal Period**

The CAISO shall calculate non-refundable interconnection study deposit and interconnection financial security amounts based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement. The first such withdrawal period shall be from January 1,

2013 through the last day that the CAISO is able to incorporate withdrawals into the 2015 annual reassessment. Subsequently, each withdrawal period shall be the approximate twelve-month period between the last day that the CAISO is able to incorporate withdrawals into an annual reassessment and the last day that the CAISO is able to incorporate withdrawals into the subsequent year's reassessment.

For each withdrawal period, the CAISO shall calculate and disburse available non-refundable interconnection study deposits and interconnection financial security in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

(b) Calculation and Disbursement of Non-Refundable Interconnection Financial Security for Still-Needed Network Upgrades At or Above \$100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement, the CAISO shall calculate the proportion of the non-refundable Interconnection Financial Security that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer's Current Cost Responsibility for the Network Upgrade by the Interconnection Customer's total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer's total amount of non-refundable Interconnection Financial Security.

If the amount of non-refundable security attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than \$100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be disbursed by the CAISO in the same manner in a subsequent reassessment, based on the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(c).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(c).

(c) Calculation and Disbursement of ~~All~~ Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any non-refundable Interconnection Study Deposits, as well as any non-refundable Interconnection Financial Security not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO's Transmission Access Charge, and to offset Local Transmission Revenue Requirements. Any non-refundable Interconnection Financial Security and Interconnection Study Deposits relating to withdrawals or terminations that occurred prior to January 1, 2013 that are collected by the CAISO during a withdrawal period, as defined in Section 7.6(a), will also be disbursed in accordance with this provision.

This offset shall be performed by first allocating these non-refundable Interconnection Study Deposit and Interconnection Financial Security amounts to the following three categories in proportion to the Interconnection Customer's most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO's Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO's most recent Regional Transmission Revenue Requirement to the total of all Participating TOs' most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(d) Disbursement of Funds by CAISO; Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those non-refundable Interconnection Financial Security and Study Deposit amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any non-refundable financial security where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO's submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

(e) The CAISO shall, upon receipt, deposit all non-refundable Interconnection Financial Security and Interconnection Study Deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6.

(f) Disbursement of Non-Refundable Site Exclusivity Deposits

The CAISO will first apply non-refundable portions of Site Exclusivity Deposits, including interest earned thereon, to offset the costs of the annual reassessment performed under Section 7.4 of this GIDAP. Any remaining non-refundable portions of Site Exclusivity Deposits that exceed the costs of the annual reassessment will be disbursed pursuant to Section 7.6(c).

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8.9 Allocation Process for TP Deliverability

8.9.2 Second Component: Allocating TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request.

- (A4) To Interconnection Customers ~~in the current Queue Cluster or coming out of parking~~ that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.
- (2B) To Interconnection Customers ~~in the current Queue Cluster or coming out of parking~~ that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C3) To Interconnection Customers ~~in the current Queue Cluster with a completed Phase II Interconnection Study that have not parked, which are subject to Section 8.9.2.2 and elect to proceed without a power purchase agreement, or that parked before November 27, 2018 and attested to balance sheet financing upon the end of their parking period~~ that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To Interconnection Customers electing to be subject to Section 8.9.2.3.

~~Only these three foregoing groups—Energy Only capacity seeking TP Deliverability may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. After the CAISO has allocated TP Deliverability to the three foregoing groups, the CAISO will allocate any remaining TP Deliverability to the Energy Only Interconnection Customers requesting Deliverability based on the reassessment study and in the following order: The CAISO will allocate TP Deliverability to these four foregoing groups—Energy Only Interconnection Customers requesting Deliverability after FCDS and PCDS Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.~~

- ~~(4) To Interconnection Customers that have not achieved their Commercial Operation Date, originally requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, and have executed power purchase agreements; and to Interconnection Customers that have achieved their Commercial Operation Date and have executed power purchase agreements.~~
- ~~(5) To Interconnection Customers that have not achieved their Commercial Operation Date, originally requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, and are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement; and to Interconnection Customers that have achieved their Commercial Operation Date and are actively negotiating a power purchase agreement or on an active~~

~~short list to receive a power purchase agreement.~~

~~(6) To Interconnection Customers that originally requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status but achieved their Commercial Operation Date as Energy Only.~~

~~(7) To Interconnection Customers that achieved their Commercial Operation Date. The CAISO will allocate TP Deliverability to these four foregoing groups solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TPD allocation.~~

~~Energy Only~~ Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a \$60,000 study deposit for each Interconnection Request seeking TP Deliverability. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The funds will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the TP Deliverability studies for the Energy Only Interconnection Customers. Any and all costs of the Energy Only TP Deliverability study will be borne by the Interconnection Customer. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the study. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced.

All power purchase agreements in this Section 8.9 must require Deliverability for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix DD will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

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8.9.2.2 Proceeding without a Power Purchase Agreement prior to September 1, 2022

~~Interconnection Customers only may attest that they are proceeding without a power purchase agreement in the allocation cycle immediately following receipt of their Phase II~~

~~Interconnection Study (without having parked).~~ Interconnection Customers that received TP Deliverability in this group ~~may and parked only that portions~~ of their Interconnection Request that ~~does did~~ not receive TP Deliverability. ~~Parked portions~~ may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection Customers that received TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.

~~If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it must accept the TP Deliverability allocation and forego parking that capacity, or withdraw.~~ If an Interconnection Customer receives TP Deliverability on the basis that it is proceeding without a power purchase agreement, it may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or modify its Commercial Operation Date beyond the earlier of (a) the date established in its Interconnection Request when it requests TP Deliverability or (b) seven (7) years from the date the CAISO received its Interconnection Request. Extensions due to Participating TO construction delays will extend these deadlines equally. Where the Interconnection Customer has executed a power purchase agreement, it may request to align its construction timeline and Commercial Operation Date for the deliverable MW capacity procured by the power purchase agreement consistent with Section 6.7.5. This change in milestones cannot impact the timing of shared Interconnection Facilities or Network Upgrades. Interconnection Customers that fail to proceed toward their Commercial Operation Date under these requirements and as specified in their GIA will be converted to Energy Only. Interconnection Customers that become Energy Only for this or any reason may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

This Section 8.9.2.2 does not apply to Interconnection Customers that attested to balance-sheet financing or otherwise receiving a commitment of project financing before November 27, 2018, or that do so pursuant to Section 8.9.3.1.

8.9.2.3 TP Deliverability Group D

This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.

If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section.

Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.

Beginning with the 2023-2024 TP Deliverability allocation process, Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.

For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

- ~~(1) For Interconnection Customers in Queue Cluster 10 or later, once a Generating Facility is allocated TP Deliverability under Section 8.9.1, the Interconnection Customer annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:~~
- ~~(1) The Generating Facility is in good standing with respect to the criteria on which the allocation of TP Deliverability was based;~~
- ~~(2) If the Generating Facility received TP Deliverability on the basis of having executed a power purchase agreement, it must have received regulatory approval of that agreement;~~
- ~~(3) If the Generating Facility/Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by November 30 of the year it received TP Deliverability. It must then comply with criterion 8.9.3(2) the following year;~~
- ~~(4) If the Interconnection Customer has executed a GIA, it must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;~~
- ~~(5) The Interconnection Customer must maintain its Commercial Operation Date set forth in the GIA unless an extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO's construction of any Network Upgrades or Participating TO's Interconnection Facilities.~~

~~The Interconnection Customer will provide the required information in the form of an affidavit as described in the Business Practice Manual. Interconnection Customers that fail to meet these criteria will become Energy Only for that portion of the Generating Facility that has not retained TP Deliverability.~~

- (2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a

power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.

Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability ~~a~~Allocation may not reduce their Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers. ~~To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only.~~

8.9.3.1 ~~Retaining TP Deliverability Allocation for Pre-Cluster 10 Interconnection Customers~~

~~Interconnection Customers in Queue Cluster 9 or earlier subject to this Appendix DD that have been allocated TP Deliverability or that parked pursuant to Section 8.9.4 or 8.9.4.1, annually, on the date set forth and according to the process described in the Business Practice Manual, must demonstrate that the Generating Facility meets the following criteria to retain its TP Deliverability:~~

- ~~(1) — The Generating Facility is in good standing with respect to the criteria on which the allocation of TP Deliverability was based;~~
- ~~(2) — If the Generating Facility received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by the start of the next allocation cycle, or attest to balance sheet financing or receipt of a commitment of project financing;~~
- ~~(3) — If the Interconnection Customer has executed a GIA, it must remain in good standing with regard to its GIA, such that neither the Participating TO nor CAISO has provided the Interconnection Customer with a Notice of Breach of the GIA that has not been cured and the Interconnection Customer has not commenced curative actions;~~
- ~~(4) — The Interconnection Customer must maintain its Commercial Operation Date set forth in the GIA unless an extension is required for reasons beyond the control of the Interconnection Customer or such extension results in no Material Modification or delay in the construction schedule for Network Upgrades common to multiple Generating Facilities; or unless the extension is occasioned by a material delay in the Participating TO's construction of any Network Upgrades or Participating TO's Interconnection Facilities.~~

~~Interconnection Customers that have attested to balance sheet financing or receipt of a commitment of project financing or do so pursuant to this Section are not subject to Section 8.9.2.2. Interconnection Customers that attest to balance sheet financing pursuant to this Section 8.9.3.1 will be placed in TP Deliverability allocation group~~

~~8.9.2(3)~~. **[Not Used]**

8.9.3.2 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this GIDAP, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project after-by attesting that:

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or
- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

The Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customers may elect to reduce their-its Interconnection Financial Security as a result.

8.9.4 Parking for Option (A) Generating Facilities

For an Option (A) Generating Facility in the current Interconnection Study Cycle that either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following options:

- (1) Withdraw its Interconnection Request
- (2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any Interconnection Financial Security shall be adjusted to remove the obligation for Interconnection Financial Security pertaining to LDNUs
- (3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.

An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. An Interconnection Customer that has elected to park its Interconnection Request (option (3)) will not be tendered a GIA until it concludes its parking by accepting a TP Deliverability allocation or converting to Energy Only Deliverability Status and has made its second Interconnection Financial Security posting pursuant to Section 11.3. Parked Interconnection Customers may not submit modification requests except for the following modifications:

- (1) reducing the Interconnection Service Capacity;
- (2) changing fuel type or technology;

(3) Permissible Technological Advancements; or

(4) changing the Point of Interconnection.

Parked Interconnection Customers must post their second Interconnection Financial Security prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this GIDAP.

* * * * *

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. ~~The Generating Units must be located at the same Point of Interconnection.~~ The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this GIDAP, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

* * * * *

Section 16. Cluster 14 Unique Procedures

The CAISO tariff and the GIDAP will apply to Queue Cluster 14 with the following exceptions:

16.1 Study Procedures and Timelines

- a) The CAISO will validate Cluster 14 Interconnection Requests by September 26, 2021. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 14.
- b) GIDAP provisions stating when the CAISO and Participating TOs must initiate Interconnection Studies will not apply.
- c) The CAISO will publish Phase I Interconnection Studies no later than September 15, 2022. The Phase I Interconnection Study will not include system-level stability analyses.

- d) Interconnection Customers may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (5) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than thirty (30) calendar days following the Results Meeting.
- e) No later than the earlier of (1) ninety (90) days after the publication of the Phase I Interconnection Study or (2) January 13, 2023, Interconnection Customers must (1) submit an updated, valid dynamic model to the CAISO, and (2) post their initial Interconnection Financial Security.
- f) The CAISO will publish Phase II Interconnection Studies no later than November 24, 2023.
- g) Phase I and Phase II Interconnection Study Results meetings will occur with ninety (90) days of publication.
- h) The CAISO will publish the results of the TP Deliverability allocation process no later than March 23, 2024.
- i) Interconnection Customers must post their second Interconnection Financial Security no later than the earlier of (1) ninety (90) days after the publication of the Phase II Interconnection Study or (2) May 4, 2024.
- j) Unless the CAISO issues a Market Notice stating otherwise, the CAISO will not open the Queue Cluster 15 Cluster Application Window in 2022. The CAISO will open the Queue Cluster 15 Cluster Application Window in 2023 pursuant to Section 3.3.
- k) Deadlines related to Interconnection Customers that elect to park their Interconnection Requests will be extended consistent with this Section, including for Interconnection Financial Security postings.
- (l) If an Interconnection Customer withdraws after posting its initial Interconnection Financial Security but before demonstrating Site Exclusivity, its Site Exclusivity Deposit will not be refunded, and will be processed with non-refundable funds described in Section 7.6.
- (m) On or before their initial Interconnection Financial Security posting, Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities. On or before their second Interconnection Financial Security posting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

The CAISO and Participating TOs will use Reasonable Efforts to meet all deadlines in the GIDAP and this Section 16, and may publish study results early or otherwise accelerate the interconnection process where possible. The CAISO will publish Interconnection Studies simultaneously for all the Participating TOs.

* * * * *

APPENDIX 11

~~[Not Used]~~ DOWNSIZING GENERATOR PAYMENT OBLIGATION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer has elected to submit a Generator Downsizing Request pursuant to CAISO Tariff Appendix DD requesting to reduce the generation megawatt capacity of the proposed Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request for the Interconnection Customer represented by Queue Position: _____;

WHEREAS, the Interconnection Customer desires to reduce the megawatt generating capacity of the Generating Facility; and

WHEREAS, following the Generator Downsizing Study, it will be necessary to:

(i) _____ study Generator Downsizing Requests in the reassessment performed pursuant to Appendix DD; and

(ii) _____ amend the Generator Interconnection Agreement of the Interconnection Customer, if the Interconnection Customer has an executed Generator Interconnection Agreement;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 _____ In accordance with Section 7.5 of Appendix DD, the Interconnection Customer agrees to pay (1) its share of the costs of studying Generator Downsizing Requests in the reassessment performed pursuant to Appendix DD and (2) and the costs of amending the Generator Interconnection Agreement, in order to implement the generator downsizing provisions of Appendix DD.

2.0 _____ The Interconnection Customer may withdraw its Generator Downsizing Request in accordance with Section 7.5.6 of Appendix DD. Upon timely receipt of the Interconnection Customer's notice to withdraw, this Agreement will terminate, subject to the requirements of Section 7.5.6 of Appendix DD.

3.0 _____ This Agreement will become effective upon the date the fully executed Agreement is received by the CAISO. If the CAISO does not receive the fully executed Agreement, then the Generator Downsizing Request will be deemed invalid pursuant to Section 7.5.5.2.2 of Appendix DD, and the CAISO will refund the Interconnection Customer's Generator Downsizing Deposit, less any costs incurred in validating the Generator Downsizing Request.

4.0 _____ The Interconnection Customer shall comply with all other applicable requirements set forth in the CAISO Tariff.

5.0 _____ Miscellaneous.

5.1 _____ Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, will be resolved in accordance with the Dispute provision of Appendix DD.

5.2 _____ Confidentiality. Confidential Information will be treated in accordance with the confidentiality provision of Appendix DD.

5.3 _____ Binding Effect. This Agreement and the rights and obligations hereof will be binding upon and will inure to the benefit of the successors and assigns of the Parties hereto.

5.4 _____ Rules of Interpretation. This Agreement, unless a clear contrary intention appears, will be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors

and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of Appendix DD or such Appendix to Appendix DD, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import will be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

- 5.5 ~~Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.~~
- 5.6 ~~No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.~~
- 5.7 ~~Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of or imposed upon such Party. Any waiver at any time by either Party of its rights with respect to this Agreement will not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or default of this Agreement for any reason by the Interconnection Customer will not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Participating TO or CAISO. Any waiver of this Agreement will, if requested, be provided in writing. Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, will not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement will not constitute or be deemed a waiver of such right.~~
- 5.8 ~~Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.~~
- 5.9 ~~Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.~~
- 5.10 ~~Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.~~
- 5.11 ~~Reservation of Rights. The CAISO will have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable~~

provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer will have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party will have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

5.12 — ~~No Partnership.~~ This Agreement will not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party will have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

5.13 — ~~Assignment.~~ This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer will have the right to assign this Agreement without the consent of the other Party, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement will not relieve a Party of its obligations, nor will a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, this Agreement may be assigned to a successor in interest to the Interconnection Customer pursuant to the underlying interconnection process under which the Interconnection Customer's Interconnection Request is being processed.

~~IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.~~

~~**California Independent System Operator Corporation**~~

~~By: _____
Printed Name: _____
Title: _____
Date: _____~~

~~**[Insert name of the Downsizing Generator]**~~

~~By: _____
Printed Name: _____
Title: _____
Date: _____~~

* * * * *

Section 24

* * * * *

24.4.7 Description of Transmission Solutions

The transmission solutions identified in the draft and final comprehensive Transmission Plan that are subject to the competitive solicitation process will provide sufficient engineering detail to permit Project Sponsors to submit complete proposals, under section 24.5.1 to build the identified transmission solution.

As further described in the Business Practice Manual, such details may include, but are not limited to:

- (a) Minimum Conductor Ampacity;
- (b) Approximate Line impedance required;
- (c) Approximate Series compensation levels;
- (d) Substation bus and breaker configuration;
- (e) Breaker clearing times;
- (f) Transformer characteristics (capacity, impedance, tap range);
- (g) Minimum Shunt capacitor and reactor sizes;
- (h) Minimum FACTS device specifications;
- (i) RASSPS requirements;
- (j) Planning level cost estimates;
- (k) Projected in-service date.

* * * * *

24.8.1 Information Provided by Participating TOs

In addition to any information that must be provided to the CAISO under the NERC Reliability Standards, Participating TOs shall provide the CAISO on an annual or periodic basis in accordance with the schedule and procedures and in the form required by the Business Practice Manual any information and data reasonably required by the CAISO to perform the Transmission Planning Process, including, but not

limited to: (1) modeling data for power flow, including reactive power, short-circuit and stability analysis; (2) a description of the total Demand to be served from each substation, including a description of any Energy efficiency programs reflected in the total Demand; (3) the amount of any interruptible Loads included in the total Demand (including conditions under which an interruption can be implemented and any limitations on the duration and frequency of interruptions); (4), a description of Generating Units to be interconnected to the Distribution System of the Participating TO, including generation type and anticipated Commercial Operation Date; (5) detailed power system models of their transmission systems that reflect transmission system changes, including equipment replacement not requiring approval by the CAISO; (6) Distribution System modifications; (7) transmission network information, including line ratings, line length, conductor sizes and lengths, substation equipment ratings, circuits on common towers and with common rights-of-ways and cross-overs, ~~special protection schemes~~ Remedial Action Schemes, and protection setting information; and (8) Contingency lists.

* * * * *

Appendix L

* * * * *

L.8 Limits for Contingency Limitations

Transfer limits are developed when the post-Contingency loading on a transmission element may breach the element's emergency rating. The type of limit utilized is dependent on the application and includes one of the following limits:

- Simple Flow Limit - best utilized when the derived limit is repeatable or where parallel transmission elements feed radial Load.
- RAS ~~or SPS~~ - existing Remedial Action Schemes (RAS) ~~or special protection systems (SPS)~~ may impact the derivation of simple flow limits. When developing the limit, the CAISO determines if the RAS ~~or SPS~~ will be in-service during the Outage and factors the interrelationship between the RAS ~~or SPS~~ and the derived flow limit. CAISO will update the transfer limits in recognition of the changing status and/or availability of the RAS ~~or SPS~~.

* * * * *

Appendix S

* * * * *

1.3 Application

* * * * *

1.3.4 Modifications

* * * * *

- 1.3.4.2 The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

~~The CAISO will defer evaluation of any modification requested pursuant to this section by an Interconnection Customer participating in the Generator Downsizing Process until the completion of that Generator Downsizing Process, as set forth in Section 7.5.2 of Appendix DD to the CAISO Tariff.~~

* * * * *

1.4 Reductions in Generating Facility Capacity

1.4.1 De Minimis Capacity Reductions

If, at the time an Interconnection Customer achieves Commercial Operation, the actual MW capacity of its Generating Facility is reduced by no more than the greater of five percent (5%) of its MW capacity or 10 MW, but by no more than twenty-five percent (25%) of the MW capacity of the Generating Facility, such a reduction shall not constitute a breach of the Interconnection Customer's obligations under the CAISO Tariff or its Generator Interconnection Agreement. The MW capacity value of a Generating Facility for purposes of this section shall be established by reference to the capacity as set forth in the Interconnection Customer's currently applicable Generator Interconnection Agreement. No capacity reductions permitted under this section shall operate to diminish the Interconnection Customer's responsibility for any costs or other obligations set forth in its Generator Interconnection Agreement or the CAISO Tariff.

1.4.2 Capacity Reductions Exceeding the De Minimis Threshold~~[Not Used]~~

~~Any reduction in Generating Facility capacity that exceeds the de minimis threshold set forth in Section 1.4.1 will only be allowed pursuant to the Generator Downsizing Process set forth in Section 7.5 of Appendix DD to the CAISO Tariff, subject to the exceptions set forth in Section 7.5.1 of Appendix DD. An Interconnection Customer interconnecting under this Appendix S that meets the eligibility requirements set forth in Section 7.5.3 of Appendix DD may submit a Generator Downsizing Request pursuant to Sections 7.5.4 and 7.5.5 of Appendix DD to participate in the Generator Downsizing Process.~~

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Appendix T

Attachment 7

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS SMALL GENERATING FACILITY

* * * * *

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7 or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i. of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.

6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a ~~special protection system~~ Remedial Action Scheme.

* * * * *

Appendix U

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3.9.2 ~~[Not Used] Capacity Reductions Exceeding the De Minimis Threshold~~

~~Any reduction in Generating Facility capacity that exceeds the de minimis threshold set forth in Section 3.9.1 will only be allowed pursuant to the Generating Downsizing Process set forth in Section 7.5 of Appendix DD to the CAISO Tariff, subject to the exceptions set forth in Section 7.5.1 of Appendix DD. An Interconnection Customer interconnecting under this Appendix U that meets the eligibility requirements set forth in Section 7.5.3 of Appendix DD may submit a Generator Downsizing Request pursuant to Sections 7.5.4 and 7.5.5 of Appendix DD to participate in the Generator Downsizing Process.~~

* * * * *

- 4.4.6** The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

~~The CAISO will defer evaluation of any modification requested pursuant to this section by an Interconnection Customer participating in the Generator Downsizing Process until the completion of that Generator Downsizing Process, as set forth in Section 7.5.2 of Appendix DD to the CAISO Tariff.~~

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix U will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection

Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

* * * * *

Appendix V

Appendix H to LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a ~~_special protection system~~ Remedial Action Scheme.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the CAISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the CAISO Controlled Grid for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a ~~special protection system~~ Remedial Action Scheme.

* * * * *

Appendix Y

* * * * *

3.10.2 Capacity Reductions Exceeding the De-Minimis Threshold~~[Not Used]~~

~~Any reduction in Generating Facility capacity that exceeds the de-minimis threshold set forth in Section 3.10.1 will only be allowed pursuant to the Generating Downsizing Process set forth in Section 7.5 of Appendix DD to the CAISO Tariff, subject to the exceptions set forth in Section 7.5.1 of Appendix DD. An Interconnection Customer interconnecting under this Appendix Y that meets the eligibility requirements set forth in Section 7.5.3 of Appendix DD may submit a Generator Downsizing Request pursuant to~~

~~Sections 7.5.4 and 7.5.5 of Appendix DD to participate in the Generator Downsizing Process.~~

* * * * *

6.9.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible ~~Remedial Action Scheme~~~~Special Protection System (SPS)~~, distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the CAISO and Participating TO, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under GIP Section 13.5. The Interconnection Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under GIP Section 13.5.

* * * * *

6.9.2.3

The Interconnection Customer shall provide the CAISO a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. If the modification assessment cannot be completed within that time period, the CAISO shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

~~The CAISO will defer evaluation of any modification requested pursuant to this section by an Interconnection Customer participating in the Generator Downsizing Process until the completion of that Generator Downsizing Process, as set forth in Section 7.5.2 of Appendix DD to the CAISO Tariff.~~

The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If

the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix Y will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

* * * * *

Appendix Z

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Appendix H To LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

All wind generating plants subject to FERC Order No. 661 must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to pre-fault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required

to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the CAISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the CAISO Controlled Grid for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a ~~special protection system~~ Remedial Action Scheme.

* * * * *

Appendix BB

* * * * *

Appendix H To LGIA

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any

single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
5. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a ~~special protection system~~ Remedial Action Scheme.

* * * * *

Appendix CC

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Appendix H To LGIA

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
5. The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a ~~special protection system~~ Remedial Action Scheme.

* * * * *

Appendix EE

* * * * *

Article 1. Definitions

Reliability Network Upgrades (RNU) shall mean the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management, ~~or Operating Procedures, or Special Protection Systems~~ based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

* * * * *

Appendix FF

Attachment 1

Glossary of Terms

* * * * *

Reliability Network Upgrades (RNU) - The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or system operating limits. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management, or Operating Procedures, ~~or Special Protection Systems~~ based on the characteristics of the Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

* * * * *

APPENDIX HH

[Not Used] Generation Interconnection Agreement Amendment

Re: Generator Downsizing

~~This Appendix HH is to be used to implement amendments to Generation Interconnection Agreements pursuant to CAISO Tariff Appendix GG for Interconnection Customers who are either Downsizing Generators or Affected Generators~~

AMENDMENT TO THE GENERATOR INTERCONNECTION AGREEMENT

BETWEEN

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

(Queue Position _____)

(Post Downsizing Study Amendment)

THIS AMENDMENT, effective as of _____, 20____, is made and entered into this _____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer”), _____, a corporation organized and existing under the laws of the State of California (“Participating TO”), and the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California (“CAISO”). The Interconnection Customer, the Participating TO, and the CAISO each may be referred to as a “Party” or collectively as the “Parties.”

This Amendment amends the following Generation Interconnection Agreement:
[Check the applicable agreement]

[_____] _____ A Large Generation Interconnection Agreement (“LGIA”);

[_____] _____ A Small Generation Interconnection Agreement (“SGIA”);

which is herein referenced as the Generator Interconnection Agreement (“GIA”).

_____ This Amendment is the *[list sequential amendment number _____]* amendment to the GIA.

RECITALS

(a) _____ WHEREAS, the Interconnection Customer, the Participating TO, and the CAISO entered into a GIA dated _____ for the purpose of interconnecting the Generating Facility known as _____, which GIA is referenced as CAISO Service Agreement No. _____; Participating TO Service Agreement No. _____)

[Check here [—], if the GIA has been previously amended]

Which the Parties thereafter amended by the following:

[List amendments and execution or effective date]

(b) _____ WHEREAS, the Interconnection Customer’s Interconnection Request has been included in the Generator Downsizing Study conducted pursuant to CAISO Tariff Appendix GG, wherein the Interconnection Customer was *[check applicable alternative]*

~~[] a Downsizing Generator with a Generator Downsizing Request to reduce the megawatt capacity of the Generating Facility; or~~

~~[] an Affected Generator whose Interconnection configuration was modified or otherwise affected by the Generator Downsizing Study;~~

~~(c) WHEREAS, the Parties desire to update the GIA following the Generator Downsizing Study;~~

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT

~~1. Unless otherwise defined herein, all defined terms used herein shall have the meaning set out in CAISO Tariff Appendix A, CAISO Tariff Appendix GG, or the GIA.~~

~~2. [This Amendment Section 2 shall apply only to a Large Generator Interconnection Customer who was a Downsizing Generator whose Generator Downsizing Request was included in the Generator Downsizing Study]~~

~~Article 5.16 shall be amended as follows:~~

~~Notwithstanding any other provision of the GIA or this Article 5.16, the Interconnection Customer shall have no further right of suspension.~~

~~Check this provision if the Interconnection Customer is an Affected Generator~~

~~[] This Amendment Article 2 is intentionally omitted.~~

~~3. The "Generating Facility" as defined in the GIA is hereby amended and superseded by the following definition~~

~~[Generating Facility definition include reduced MW value capacity]~~

~~4. [This Amendment Section 4 shall apply only to a Large Generator Interconnection Customer who was a Downsizing Generator whose Generator Downsizing Request was included in the Generator Downsizing Study]~~

~~— This Amendment Section 4 adds the following Article XX to the GIA:~~

~~**XX Permitted Reductions in output capacity (MW generating capacity) of the Generating Facility.** An Interconnection Customer may reduce the MW capacity of the Generating Facility by up to five percent (5%) for any reason, during the time period between the Effective Date of this GIA and the Commercial Operation Date. The five percent (5%) value shall be established by reference to the MW generating capacity as set forth in this GIA as amended pursuant to Appendix GG.~~

~~— The CAISO (in consultation with the applicable Participating TO(s)) will consider an Interconnection Customer's request for a reduction in the MW generating capacity greater than five percent (5%) under limited conditions where the Interconnection Customer reasonably demonstrates to the Participating TO and CAISO that the MW generation capacity reduction is warranted due to reasons beyond the control of the~~

~~Interconnection Customer. Reasons beyond the control of the Interconnection Customer shall consist of any one or more of the following:~~

- ~~(i) the Interconnection Customer's failure to secure required permits and other governmental approvals to construct the Generating Facility at its total MW generating capacity as specified in its Interconnection Request after the Interconnection Customer has made diligent effort to secure such permits or approvals;~~
- ~~(ii) the Interconnection Customer's receipt of a written statement from the permitting or approval authority (such as a draft environmental impact report) indicating that construction of a Generating Facility of the total MW generating capacity size specified in the Interconnection Request will likely result in disapproval due to a significant environmental or other impact that cannot be mitigated;~~
- ~~(iii) failure to obtain the legal right of use of the full site acreage necessary to construct and/or operate the total MW generating capacity size for the entire Generating Facility, after the Interconnection Customer has made a diligent attempt to secure such legal right of use. This subsection (iii) applies only where an Interconnection Customer has previously demonstrated and maintained its demonstration of Site Exclusivity prior to invoking this subsection as a reason for downsizing.~~

~~If relying on subsections (i) or (ii) above, in order to be eligible for a capacity reduction greater than five percent (5%), the Interconnection Customer must also demonstrate to the CAISO that a reduction of MW generating capacity of the Generating Facility to the reduced size that the Interconnection Customer proposes will likely overcome the objections of the permitting/approving authority or otherwise cause the permitting/approving authority to grant the permit or approval. The Interconnection Customer may satisfy this demonstration requirement by submitting to the CAISO either a writing from the permitting/approving authority to this effect or other evidence of a commitment by the permitting/approving authority that the MW capacity reduction will remove the objections of the authority to the permit/approval application.~~

~~If relying on subsection (iii) above, the Interconnection Customer must also reasonably demonstrate to the CAISO that the proposed reduced capacity Generating Facility can be constructed on the site over which the Interconnection Customer has been able to obtain legal rights of use.~~

- ~~Upon such demonstration to the reasonable satisfaction of the CAISO (after consultation with the applicable Participating TO) the CAISO will permit such reduction. No permitted reduction of MW generation capacity under this Article shall operate to diminish the Interconnection Customer's cost responsibility for Network Upgrades or to diminish the Interconnection Customer's right to repayment for financing of Network Upgrades under this generator interconnection agreement.~~

The GIA shall be amended to delete the following Appendices/Attachments to the GIA in their entirety [Check applicable references to deleted and replaced appendices]

[]	If GIA is an LGIA	[]	If GIA is an SGIA
[]	Appendix A,	[]	Attachment 1
[]	Appendix B,	[]	Attachment 2
[]	Appendix C,	[]	Attachment 3
[]	Appendix D,	[]	Attachment 4
[]	Appendix E,	[]	Attachment 5
[]	Appendix F	[]	Attachment 6
[]	Appendix G	[]	Attachment 7
		[]	Attachment 8

The deleted appendices/attachments are replaced with those attached to this Amendment.

- 6. ~~This Amendment constitutes the complete and final agreement of the Parties with respect to the matters set forth in this Amendment, and supersedes all prior understandings, whether written or oral, with respect to such subject matter set forth therein.~~
- 7. ~~Except as expressly modified herein, all other terms of the GIA (and subsequent amendments thereto) shall remain unchanged. In the event of conflict between the terms of this Amendment and the GIA, the terms of this Amendment shall govern.~~
- 8. ~~This Amendment may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.~~

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed by and through their respective authorized representatives as of the date referenced above as the effective date.

Interconnection Customer

By _____

Printed Name _____

Title: _____

California Independent System Operator Corporation

By _____

Printed Name _____

Title: _____

Participating TO

By _____

Printed Name _____

Title: _____

Attachment C – Final Proposal
Interconnection Process Enhancements
California Independent System Operator Corporation
June 2, 2022



California ISO

Interconnection Process Enhancements 2021

Final Proposal
Phase 1: Near Term Enhancements

April 21, 2022

Prepared by:
Robert Emmert
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1 Introduction

The Interconnection Process Enhancements (IPE) Initiative is the ISO's ongoing commitment to improve its Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and make process enhancements as resource interconnection needs evolve.

The 2021 IPE initiative is being conducted at a particularly critical inflection point in resource development in California, and in the ISO footprint in particular, as current circumstances have led to a confluence of issues that are needing consideration in the ISO's interconnection processes, related transmission and resource planning occurring at the ISO and state agencies, the procurement activities of load serving entities, and state policy development. Meeting the challenges facing timely, effective, reliable and economic resource and transmission development over the next decade and beyond will require enhancements and improved coordination across all fronts, and progress on each front must be considered in the context of improvements occurring in other parallel paths as well.

The impact of the drive towards higher levels of year over year resource development cannot be overstated. The ISO's 2021-2022 transmission planning currently underway is based on resource portfolios developed through CPUC processes that are more than double the previous plan's forecast for additions. The draft forecast requirements to be used in the 2022-2023 cycle indicate potentially a four-fold increase in new resource requirements over the forecast relied upon in the approved 2020-2021 plan¹. At the same time, the CPUC authorized 11,500 MW more midterm procurement in its June 24, 2021 Integrated Resource Plan decision that last year's 10 year plan was based on, and which was the largest single procurement authorization by the CPUC. Responding to these signals and previously approved authorizations, the resource development industry responded with a record-setting number of new interconnections requests in April, 2021, with 373 new interconnection requests being received in the ISO's Cluster 14 open window, layered on top of an already heavily populated interconnection queue.² The 605 projects totaling 236,225 MW, 164,153 net MW at the Point of Interconnection (POI), currently in the queue exceeds mid-term requirements by an order of magnitude. This level of hyper competition actually creates distractions and commandeers precious planning, engineering and project management resources from the ISO and Participating TOs. Developing interconnection proposals for 10 to 15 times the volume of resources needed in that time frame, challenges the procurement

¹ Page 11, Day 2 Presentation, September 27-28, 2021 Stakeholder Meeting, <http://www.caiso.com/InitiativeDocuments/Day2Presentation-2021-2022TransmissionPlanningProcess-Sep27-28-2021.pdf>

² ISO Board of Governors July 7, 2021 Briefing on renewable and energy storage in the generator interconnection queue, <http://www.caiso.com/Documents/Briefing-Renewables-Generator-Interconnection-Queue-Memo-July-2021.pdf>

2021 Interconnection Process Enhancements
Final Proposal – Phase 1: Near-Term Enhancements

activities being smoothly aligned with transmission planning and state policy needs (including for resource diversity) when procurement responsibility is spread over more than 40 load serving entities.

The ISO's interconnection queue and transmission planning process (TPP) has to this point been very successful in meeting emerging needs and challenges as it evolved over the last ten to fifteen years. The ISO's current processes in fact already incorporate many of the reforms set out for discussion in the recent Advance Notice of Proposed Rulemaking released by the Federal Energy Regulatory Commission³. However, the volume of requirements, pace of development and intensity of competition clearly call for additional reforms to current processes designed around more measured pace of planning, procurement and resource development. A broader spectrum of reform considerations is needed than adjustments to any one process in isolation, and reforms and enhancements must be considered holistically. To aid the ISO in its own considerations, the ISO commissioned a review of other practices in the US, looking not only at other ISOs and RTOs but also other FERC-jurisdictional and non-jurisdictional organizations to explore other practices that may prove helpful. This review, conducted by Grid Strategies LLC⁴, was posted to the ISO website on December 13, 2021.

Progress must be made on a number of fronts including the generation interconnection process; the 2021 IPE initiative is therefore focused on the interconnection process and enhancements specifically, and other tracks of process improvement will proceed through other efforts.

Accordingly, the 2021 IPE initiative will discuss and address interconnection-related issues the ISO and stakeholders have identified given current circumstances, and will seek to resolve concerns that have surfaced since the last IPE initiative in 2018.⁵ The ISO seeks to consider potential changes to address the rapidly accelerating pace of new resources needing connection to the grid to meet system reliability needs and exponentially increasing levels of competition among developers resulting in excessive levels of new interconnection requests being received.

This Final Proposal is intended to present a final proposed solution to the Transmission Plan Deliverability (TPD) Allocation process revisions topic based on comments received from stakeholders from the Draft Final Proposal for Phase 1: Near-Term

³ Comments of the California Independent System Operator Corporation on Advance Notice of Proposed Rulemaking, Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generation, Docket No. RM21-17-000: <http://www.caiso.com/Documents/Oct12-2021-Comments-AdvanceNoticeOfProposedRulemaking-BuildingTransmissionSystemoftheFuture-RM21-17.pdf>

⁴ "Resolving Interconnection Queue Logjams - Lessons for CAISO from the US and Abroad" October 2021, Rob Gramlich, Michael Goggin, Jay Caspary, Jesse Schneider.

<http://www.caiso.com/InitiativeDocuments/ResolvingInterconnectionQueueLogjamsFinalReport.pdf>

⁵ For more information on the 2018 IPE initiative please refer to the initiative webpage at: [California CAISO - Interconnection process enhancements \(caiso.com\)](http://www.caiso.com/InterconnectionProcessEnhancements).

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Enhancements. The remaining proposals for topics discussed in the Final Proposal for Phase 1: Near-Term Enhancements received majority stakeholder support and will remain unchanged.

2 2021 IPE Process Development

During the initial planning for the 2021 IPE initiative, the ISO identified certain issues to address related to the broader need for reforms, both in the short term and longer term, and also a number of relatively minor enhancements needed since the previous 2018 IPE initiative that also warranted attention.

This initiative will have two distinct, but simultaneously run, phases. Phase 1 will focus on near-term enhancements to the existing interconnection processes that the ISO can resolve for Cluster 14 and before the summer of 2022. Phase 2 will focus on resolving longer term modifications and broader reforms to align interconnection processes with procurement activities. The ISO will conduct both phases simultaneously with phase 1 targeting the ISO Board of Governors in May 2022, and phase 2 targeting November 2022.

During the Cluster 14 open window, the ISO received 373 interconnection requests, which resulted in the Supercluster Interconnection Procedures initiative that started on June 14, 2021⁶. The supercluster initiative focused specifically on addressing the immediate timing issues associated with the unprecedented number of interconnection applications to ensure parties were well informed of the timing impacts and that an effective plan could be put in place to deal with the situation. In the supercluster initiative, the ISO committed to continue to discuss topics that were not resolved in the time available within that initiative that could affect the Cluster 14 supercluster Phase II processes⁷. Topics that would impact Cluster 14 Phase II will be handled in the phase 1 portion of this initiative as described above. Another impact of the Cluster 14 supercluster is that the current GIDAP may need to be modified to be more adept at dealing with the current significant generation expansion and to better accommodate interconnecting significant amounts of new generation expeditiously to meet near-term reliability challenges. These potential changes will need more time to discuss and come to consensus with stakeholders and will be handled in the phase 2 portion of this initiative as described above.

The issues being addressed in this initiative fall into one of three categories; topics that would aid in moving resources more efficiently and effectively through the queue, topics

⁶ For more information on the Supercluster Interconnection Procedures initiative please refer to the initiative webpage at: [FinalProposal-SuperclusterInterconnectionProcedures.pdf \(caiso.com\)](https://www.caiso.com/~/media/CAISO/2021/06/14/FinalProposal-SuperclusterInterconnectionProcedures.pdf)

⁷ The supercluster initiative needed to produce a filing to FERC quickly to receive a FERC order in a time frame that would allow Cluster 14 to move forward as expeditiously as possible under a revised schedule.

that would aid in managing the overheated interconnection queue, and topics addressing other residual issues warranting attention at this time.

3 Moving resources through the interconnection queue more efficiently and potentially more quickly

3.1 Removing downsizing window and simplifying downsizing request requirements

- Background

The March 17, 2022 Draft Final Proposal, Section 3.1, maintained the ISO's original proposal to transition from an annual month-long open window for receiving downsizing requests and allow them to be submitted at any time. The downsizing requests would treat them through the modification process to decrease the capacity of the project and then be held by the ISO for the next reassessment study where the impact of the upgrades associated with the downsized resource would be determined. The proposal also allows for streamlining the approval process for projects with network upgrades requesting to downsize whose impacts can be evaluated without a study. The ISO also intends to simplify the downsizing request process where appropriate.

- Stakeholder Feedback

The ISO received stakeholder comments from 13 stakeholders on this topic, all of which were in support of the initiative, including three that supported with clarifications.

LSA supports and recommended that downsizing requests be processed in the MMA process, and that the final proposal clarify that projects with Network Upgrades that could have the impact of their downsizing assessed without a study be allowed. During stakeholder meetings, this possibility was confirmed. MRP reiterated their support, and respectfully urged the ISO to devote sufficient resources for this effort.

Finally, SCE reiterated its support of using the existing MMA process to review downsizing requests, and the existing policy that if a Network Upgrade is still needed, the cost responsibility remains with the downsizing project. Impact to the MMA process is expected to be minimal at most based on historical data of a few to no downsizing requests over the last five year.

SCE's comment regarding cost responsibility for still needed Network Upgrades remains with the downsizing project is correct and consistent with current MMA practices.

- Final Proposal

The ISO does not propose to change the Draft Final proposal, however, is adjusting the language below to more accurately reflect the downsize request process proposed. The ISO proposes to simplify the downsizing process, which currently encompasses six pages of Appendix DD. The ISO proposes to remove the downsizing application window, the unique downsizing deposit, and the downsizing agreement (Appendix HH), among other simplifications. Instead, the downsizing process will be modified to allow downsizing requests to be submitted at any time and be processed through a Material Modification Assessment (MMA) request. Once the downsizing request MMA is received by the ISO, the project would be deemed downsized to the requested capacity. Note that a downsizing MMA request, including the deposit, must be received by the CAISO no later than November 30th each year to ensure inclusion in the Annual Reassessment process. The MMA request process will evaluate the technical data and parameters to be included in the planning models and reassessment study processes as applicable. The MMA results, absent the cost impact, will be provided to the customer within the MMA timeline. If a project has one or more network upgrades, the project would generally need to be included in the annual reassessment to determine if the project's network upgrades are still required along with any potential cost allocation adjustments. Impacts of projects with network upgrades whose impacts can be assessed without a study may be approved without having to participate in the reassessment study. Tariff rules that prevent interconnection customers from downsizing merely to reduce their cost allocations and non-refundable interconnection financial security before withdrawal will remain in place. Once the MMA and reassessment study are complete, the GIA for the project will be amended. The ISO believes the simplification of the downsizing process will enable interconnection customers to right-size their projects more easily and with less administrative burden for all parties.

3.2 Should Transmission Plan Deliverability (TPD) Allocation process revisions be considered?

- Background

In the March 17, 2022 Draft Final Proposal, Section 3.2, the ISO proposed reducing the current seven allocation groups to three (now referred to as groups A, B and C), including eliminating current group 3 – proceeding without a PPA, and adding a new allocation group (now referred to as group D). Additionally, the ISO proposed simplifying the allocation retention requirements and further clarify the requirement related to a PPA requiring deliverability, allowing projects having a PPA that is with an entity who does not have an RA obligation, but it can be demonstrated that the

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RA attributes of the project are under contract with an entity with a RA obligation to be eligible for a TPD allocation. In addition, the ISO proposed to revise the tariff to clarify that a PPA must be with an off-taker to fulfill its own RA obligation and the PPA must procure the deliverable capacity for a minimum of five years to be eligible for an allocation in allocation groups A and B and for retaining an allocation through group D.

- Stakeholder Feedback

The ISO received stakeholder comments from 18 stakeholders. All supported or did not comment on the simplification of the allocation groups the creation of the new allocation group D. However, a significant number suggested modifications to allocation group D, most requested that projects be allowed to convert to Energy Only versus having to withdraw after exhausting their opportunities to obtain an allocation under group D. In addition, a number of stakeholders were concerned with the treatment and restriction for a project that might receive a small percentage partial allocation.

LSA stated that allocation group D could exhaust the already-limited supply of TPD in many areas, thus leaving little or nothing for Cluster 14 or any new technologies (e.g., offshore wind). Those that commented on the PPA eligibility topic supported the ISO's proposal that a project having a PPA with an entity that does not have an RA obligation, but can demonstrate that the RA attributes of the project are under contract with an entity with a RA obligation would be eligible for an allocation. However, most of these did not support the priority for allocating TPD to projects with such contracts until after allocations are made to eligible projects who's PPAs are with an entity with an RA obligation. In addition, AEE & AEBG and Amazon raised concerns that making the demonstration of the sale of the RA attributes within the timeline of the TPD allocation process would be difficult and that some time should be given to demonstrate the sale of the RA attributes. Finally, a number of stakeholders had concerns with the minimum contract term for a PPA requiring deliverability be for five years or more.

Golden State Clean Energy, continues to support the proposal for Groups A-C, but urged the ISO to make projects that have provided their notice to proceed to construction eligible for Group C. The remainder of the comments were primarily seeking clarity on various scenarios related to allocation group D.

- ISO response to Stakeholder comments

The ISO has modified its proposal based on stakeholder suggestions and concerns. A summary of the changes are listed here with the detail associated with these changes provided in the final proposal below.

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- After a project has exhausted its opportunities to seek an allocation under group D (because it is ineligible to park another year) it will be converted to Energy Only (versus having to withdraw as proposed in the Draft Final Proposal).
- The ISO has clarified in its proposal that any allocation to a project of an amount less than the amount the project requested may be rejected and the project will then be treated in the same manner as if it had not received an allocation, having the same options as a project that did not receive an allocation.
- The priority for allocating TPD to projects having a PPA with an entity that does not have an RA obligation, but can demonstrate that the RA attributes of the project are under contract with an entity with a RA obligation will be no different than for any other eligible PPA.
- The minimum contract term for a PPA requiring deliverability will be reduced from five years to three years.

Regarding LSA's concern that allocation group D could exhaust the already-limited supply of TPD in many areas, thus leaving little or nothing for Cluster 14 or any new technologies, the ISO reiterates that the allocations provided to projects under group D must demonstrate an executed PPA, being shortlisted or actively negotiating a PPA by the next cycle to retain the allocation. Those projects that cannot make this demonstration lose their allocations and their TPD is made available to be reallocated. For example, group D allocations made in the 2022-2023 TPD allocation cycle to projects that cannot retain their allocations in the 2023-2024 TPD allocation/retention cycle will lose their allocations and the lost TPD will become available to those seeking an allocation in the 2023-2024 TPD allocation cycle, which is when Cluster 14 first becomes eligible to use allocation group D. The ISO believes this first come, first served process, while not allowing projects to retain an allocation long-term without a demonstrated need, is the fairest process for all projects.

Regarding Golden State Clean Energy's request to make projects that have provided their notice to proceed to construction eligible for group C, the ISO is concerned that tracking could be an issue and the intent of allocation group C is to provide deliverability to projects that can immediately utilize the TPD. Some projects take years between notice to proceed and COD, which does not align with the purpose of allocation group C.

Regarding the concerns with the timeline for the requirement to demonstrate the sale of the RA attributes for PPAs with an entity that does not have an RA obligation, the ISO is not proposing any changes. The suggestions posed by a small number of

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stakeholders would create a complicated tracking and validation process where the ISO is proposing to simplify the TPD allocation retention process. The intent of the TPD allocation process is to provide allocations to projects that are able to demonstrate a contractual need and utilization for the allocation. Group D does provide allocations to projects without a PPA, but they will be required to demonstrate a contractual need in a short period of time. This ensures these projects do not tie-up valuable TPD without demonstrating its use by an RA obligated entity. It would not be appropriate to give one class of PPA extra time without giving all projects, such as those who obtain an allocation using group D, an extended period of time to retain their allocations.

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The ISO continues to propose reducing the current seven allocation groups, folding groups 1 and 4 projects into group A, folding groups 2 and 5 projects into group B, and folding groups 6 and 7 projects into group C. The ISO further proposes to create a new group D, eliminating the current group 3 proceeding without a PPA stipulation, and expanding on the current group 3 requirements. The table below, and the notes that follow, provide a summary of the four proposed allocation groups.

Proposed Allocation Groups

Allocation Group	Status of Project	Allocation Requirement	Can Build DNUs for Allocation?	Allocation Rank
A	Any project (active IR or achieved commercial operation)	Executed PPA requiring FCDS or interconnection customer is a LSE serving its own load	<ul style="list-style-type: none"> • FCDS & PCDS projects (see Note 1) • EO projects (see Note 2) 	Allocated 1 st
B	Any project (active IR or achieved commercial operation)	Shortlisted for PPA or actively negotiating a PPA	<ul style="list-style-type: none"> • FCDS & PCDS projects (see Note 1) • EO projects (see Note 2) 	Allocated 2 nd
C	Any project that achieved commercial operation	Commercial operation achieved	<ul style="list-style-type: none"> • FCDS & PCDS projects (see Note 1) • EO projects (see Note 2) 	Allocated 3 rd
D	Any Active project that meets the allocation group D criteria	See proposed criteria below	<p>For the 2022-2023 <u>allocation cycle</u></p> <ul style="list-style-type: none"> • FCDS & PCDS projects (see Note 1) • EO projects (see Note 2) <p>Beginning with the 2023-2024 <u>allocation cycle</u></p> <ul style="list-style-type: none"> • FCDS & PCDS projects (see Note 1) 	Allocated 4 th

Note 1: Full Capacity Deliverability Status (FCDS) and Partial Capacity Deliverability Status (PCDS) projects can fund the construction of DNUs assigned to them in their study reports to give them their current level of requested deliverability.

Note 2: Energy Only projects can only utilize any remaining capacity from existing and yet to be constructed DNUs that is not assigned to a FCDS or PCDS project.⁸

⁸ Summarizing the ISO Tariff Appendix DD, Section 8.9.2, only FCDS and PCDS projects may trigger the construction of Delivery Network Upgrades pursuant to ISO Tariff Appendix DD, Section 6.3.2. After the

Additional Criteria

- Projects must have completed all studies to be eligible for all allocation groups, including deliverability studies for ISP projects.
- TPD will only be allocated up to the amount of deliverable MW capacity procured by the PPA.
- Any allocation to a project of an amount less than the amount the project requested may be rejected and the project will then be treated in the same manner as if it had not receive an allocation (having the same options as a project that did not receive an allocation).

Energy Only projects:

Projects with Energy Only deliverability status requesting deliverability, including Partial Capacity Deliverability Status projects that elected to convert any non-allocated portion of their project to Energy Only, must be studied to ensure the project does not trigger a DNU to accommodate an allocation and must submit to the ISO a \$60,000 study deposit for each Generating Facility seeking TP Deliverability.

Allocation group D:

For the 2022-2023 TPD allocation cycle:

Any active project that does not have an allocation of TPD may apply for an allocation. Energy Only projects that apply in the 2022-2023 TPD allocation cycle cannot reapply for an allocation in the 2023-2024 TPD allocation cycle. Projects that already have a partial allocation or that added generation through an MMA will be eligible to seek an allocation for the remaining portion of the project not yet allocated in this allocation cycle only.

Beginning with the 2023-2024 TPD allocation cycle and beyond:

Only Full Capacity Deliverability Status and Partial Capacity Deliverability Status projects that have just completed their Phase II study⁹ or are parked (including any parked portions of a project) will be eligible to seek an allocation through group D. Partial Capacity Deliverability Status projects can only seek an allocation up to the amount of the deliverability studied. No Energy Only projects will be eligible to seek an allocation through group D after the 2022-2023 allocation cycle. Projects that added generation through an MMA will not be eligible to seek an allocation for the

CAISO has allocated TP Deliverability to FCDS and PCDS projects, the CAISO will allocate any remaining TP Deliverability to Energy Only Interconnection Customers requesting Deliverability based on any remaining deliverability available.

⁹ Projects typically receiving their Phase II study report in November and are eligible to seek an allocation by submitting a TPD seeking affidavit in December of the same year.

portion of the project added through an MMA through group D (any project or portion of a project can always seek an allocation using allocation groups A, B and C).

Requirements and restrictions for projects seeking an allocation through group D.

(Regardless of receiving a full, partial or no allocation.)

These requirements and restrictions shall apply to all projects and the entirety of each project (including any Energy Only portions of a project) seeking an allocation through group D, regardless of the result of the allocation process.

- However, if a project receives a partial allocation in allocation groups A or B, the portion of the project that received an allocation in groups A or B would not be under group D's requirements and restrictions.
- If an Interconnection Customer receives TPD in group D that equals the requested amount, it must accept the allocation of TP Deliverability and forego parking that capacity, or convert the entire Interconnection Request (IR) to Energy Only. Any allocations of an amount less than the requested amount may be rejected and the project may proceed as if it had not received an allocation (having the same options as a project that did not receive an allocation).
- If a project seeking an allocation in group D does not receive an allocation for the full amount requested, it may park, if eligible, and apply under group D again until it can no longer park.
- There are no changes to the parking procedures. All parking procedures remain as stated in the current ISO Tariff Appendix DD¹⁰.
- Once a project's parking opportunities have been exhausted it is converted to Energy Only and is no longer eligible to seek an allocation under group D.
 - Refer to Final Proposal Attachment 1 for a list of examples of the various paths projects could experience using allocation group D.
- May not request suspension under its GIA.
- May not delay providing its notice to proceed as specified in its GIA.
- May not modify its Commercial Operation Date (COD), except to accelerate its COD to a date earlier than the date established in its IR when it requests TPD.
 - COD extensions due to Participating TO construction delays will extend these deadlines equally.

¹⁰ [Appendix DD - Generator Interconnection Deliverability Allocation Procedures as of Mar 27, 2022](#)

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- Where the Interconnection Customer has executed a PPA, it may request to align its construction timeline and COD for the deliverable MW capacity procured by the power purchase agreement consistent with ISO Tariff Appendix DD, Section 6.7.5. This change in milestones cannot impact the timing of shared Interconnection Facilities or Network Upgrades.¹¹
 - Any portion of the project that is not associated with an executed PPA will continue to be subject to the COD associated with that portion of the project when the project initially requested an allocation using group D.
- Interconnection Customers that fail to proceed toward their COD under these requirements and as specified in their GIA will be withdrawn.

Revisions to the TPD retention process:

For allocation groups A, B and C, the ISO proposes to eliminate all TPD retention criteria except that those projects that received an allocation in Group to B (as currently shortlisted or negotiating a PPA), must submit an executed PPA by the retention affidavit due date in the allocation/retention cycle following the year the allocation was received.¹²

Retention requirements for allocation group D:

If a project receives an allocation it must demonstrate that it has obtained a PPA or is shortlisted by the next allocation/retention cycle following the year the allocation was received. If it cannot, it will lose its allocation.

- Projects that demonstrate an executed PPA by the next allocation/retention cycle have no further retention criteria to meet.
- Projects that demonstrate they are shortlisted or actively negotiating a PPA by the next allocation/retention cycle have an additional retention requirement where they must demonstrate an executed PPA by the following allocation/retention cycle.
- Projects that received an allocation in the cycle immediately following their Phase II study and are unable to retain it can seek a new allocation in the next allocation cycle.

¹¹ ISO Tariff Appendix DD, Section 8.9.2.2.

¹² ISO Tariff Appendix DD, Section 8.9.3 (3): If the Generating Facility received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement, it must have executed the agreement by November 30 of the year it received TP Deliverability.

- Projects that receive an allocation after having been parked and cannot retain it will be converted to Energy Only.¹³

Ranking of projects within an allocation group:

The GIDAP BPM Section 6.2.9.4 defines the process where points are allotted to projects based on the project's maturity in areas such as their PPA, permitting and land acquisition. The points are used to rank the projects for determining the order that they are considered for allocating any available TPD. The ISO proposes that during the process of updating the BPM following the FERC approved tariff changes, the ISO will propose adjustments to the scoring process and weights within GIDAP BPM Section 6.2.9.4. The intent is to ensure that the more ready projects are considered for an allocation first and to provide more differentiation between projects to reduce the likelihood of ties. The proposed changes will be discussed with stakeholders in the BPM change management process. The ISO is not prepared to make any proposal on those changes at this time and will ensure that stakeholders have adequate input into the changes.

Clarifying the requirement related to a PPA requiring deliverability:

The intent of constructing delivery network upgrades and allocating deliverability is to allow the facility to participate in the Resource Adequacy program (RA). Although the tariff requires the PPA to require deliverability, it is ambiguous the deliverability required by a PPA is ultimately utilized by, or offered to, an entity with an RA obligation. The ISO proposes that projects having a PPA that is with an entity who does not have an RA obligation, but it can be demonstrated that the RA attributes of the project are procured by an entity with a RA obligation for a term of three years¹⁴ or more, would be eligible for an allocation. Projects with these arrangements will not be given a different priority than projects who have a PPA with an entity with an RA obligation. Financial incentives, the intent to sell capacity, or being shortlisted with an entity with an RA obligation are insufficient to meet this requirement. These are proposed to ensure that the TPD capacity built at transmission ratepayer expense to provide sufficient transmission capacity for the RA requirements and CPUC policy are fully and effectively utilized to the greatest extent possible.

Stakeholders are concerned that projects may be currently in active negotiations for a PPA with terms for the deliverable capacity of less than three years. The ISO proposes that the three year term requirement will begin with the 2023-24 allocation cycle. The three year term requirement will apply to all allocation groups for all projects demonstrating a PPA, being shortlisted or actively negotiating a PPA and

¹³ After having parked for a year and then having an allocation for a year there are no more parking opportunities.

¹⁴ The term has been reduced from the five year term proposed in the Draft Final Proposal to three years.

for retention of those allocations and retention of the allocations provided through allocation group D. For the 2022-23 TPD allocation cycle, projects that are seeking an allocation under new allocation Groups A and B, and later, those projects that are seeking to retain their allocations from the 2021-22 TPD allocation cycle, will not be required to meet the three year minimum contract term to receive or retain an allocation or retain an allocation received in the 2022-23 TPD or earlier allocation cycles. Such projects will be allowed to continue using PPAs with less than three year terms as long as the project retains the PPA used to receive the allocation.

3.3 Should the ISO develop an emergency generation interconnection process?

- Background

Based on stakeholder comments requesting more details, in the March 17, 2021 Draft Final Proposal¹⁵, Section 3.5, the ISO proposed the following specific details for the emergency generation process:

1. The ISO will accept emergency generation study requests only pursuant to:
 - (i) A specific emergency state mandate, and
 - (ii) Only for interconnections and additions specifically **designated by a state agency**, not including counties, municipalities, or CCAs.
2. The ISO also must agree the interconnection is warranted to potentially maintain reliability, and that the interconnection will mitigate reliability risks¹⁶.
3. The interconnection customer will submit an emergency generation study request, a \$50,000 study deposit, and all necessary technical information to assess the new generation.
4. Because the ISO anticipates these studies and interconnections will be rapid, the ISO does not propose to include any study timelines in the tariff.
5. The interconnection cannot negatively impact the cost or timing of any queued project unless the impacted project belongs to the same developer and the developer consents to the impact.
6. The interconnection cannot require network upgrades above \$1 million or that cannot be constructed in fewer than six months.
7. The installed generation will have interconnection service for no more than three years. For interconnection service beyond that period, the developer must obtain service through another tariff process, such as a new interconnection request.

¹⁵ <http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-InterconnectionProcessEnhancements2021.pdf>

¹⁶ The intent of (1) and (2) is to prevent anyone from abusing this process to interconnect generation outside of its specific purpose.

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8. During the three-year period, the generation will be ineligible for any deliverability except Interim Deliverability, consistent with ISO Tariff Appendix DD, Section 4.6.

The ISO believes the above proposal addresses stakeholder concerns regarding queue jumping, will only be used under an emergency authorization, and provides interim deliverability if available, but only for the duration of the emergency order.

- Stakeholder Feedback

The ISO received stakeholder comments from 11 stakeholders on the topic of developing an emergency generation interconnection process of which six stakeholders supported the proposal and 5 stakeholders support the proposal but have some lingering concerns.

LSA, PG&E, REV Renewables, SCE, SEIA, and Upstream support the Draft Final Proposal. CESA generally supports the proposal but wants to see a faster queue process and recommends that the ISO more expansively consider whether and how operational solutions could support incremental capacity coming online sooner. CalWEA is concerned the process could be misused by the Participating TOs via the CPUC upsetting a well-functioning competitive market. EDR-Renewable commented that the ISO needs to explicitly define when the emergency interconnection process would be followed. Specifically, if the CPUC, as a state agency, could prompt the ISO to implement the process. While Middle River Power strongly supports the proposal, they are inherently suspicious that creating an emergency interconnection process may create the potential for a self-fulfilling prophecy that encourages “queue-jumping” and is concerned about how the emergency procedures will be applied transparently and ensuring that interim deliverability is allocated fairly across all projects. Strata Clean Energy also generally supports the proposal but opposes an accelerated interconnection process that is not transparent and could be counterproductive because it inhibits projects in the queue from being selected through the existing process.

- Final Proposal

CESA’s concern of faster queue process and more expansively whether and how operational solutions could support incremental capacity coming online sooner is better suited to the IPE Phase 2 discussion of how can the interconnection process and procurement activity align with transmission system capabilities and renewable generation portfolios developed for planning purposes. With respect to EDF-R’s comment, only the governor of California can issue an emergency state mandate and the ISO will include that clarification in the Final Proposal.

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Middle River Power’s concern of ensuring the interim deliverability is allocated fairly across all projects. The ISO notes that requirement 5 states that the interconnection cannot negatively impact the cost or timing of any queued project and disproportionately allocating interim deliverability would impact the timing of a queued project because that project would not have the ability to timely meet their resource adequacy requirement. Strata Clean Energy’s concern that the accelerated interconnection process needs to be transparent and if not transparent, the process could inhibit projects in the queue from being selected through the existing process. The declaration of a state of emergency and the state agency designating the projects to be studied is out of the ISO’s control. The ISO’s responsibility in this instance is to study the project requested and determine if the project can be reliably connect to the grid within six months with very little upgrades required.

The ISO is not proposing to change the Draft Final Proposal, but clarify the state mandate, and proposes to put in the tariff the following requirements for the emergency generation process:

1. The ISO will accept emergency generation study requests only pursuant to:
 - (i) A specific emergency state mandate by the governor of California, and
 - (ii) Only for interconnections and additions specifically designated by a state agency, not including counties, municipalities, or CCAs.
2. The ISO also must agree the interconnection is warranted to potentially maintain reliability, and that the interconnection will mitigate reliability risks¹⁷.
3. The interconnection customer will submit an emergency generation study request, a \$50,000 study deposit, and all necessary technical information to assess the new generation.
4. Because the ISO anticipates these studies and interconnections will be rapid, the ISO does not propose to include any study timelines in the tariff.
5. The interconnection cannot negatively impact the cost or timing of any queued project unless the impacted project belongs to the same developer and the developer consents to the impact.
6. The interconnection cannot require network upgrades above \$1 million or that cannot be constructed in fewer than six months.
7. The installed generation will have interconnection service for no more than three years. For interconnection service beyond that period, the developer must obtain service through another tariff process, such as a new interconnection request.

¹⁷ The intent of (1) and (2) is to prevent anyone from abusing this process to interconnect generation outside of its specific purpose.

8. During the three-year period, the generation will be ineligible for any deliverability except Interim Deliverability, consistent with ISO Tariff Appendix DD, Section 4.6.

4 Managing the overheated queue

4.1 Should site exclusivity be required to progress into the Phase II study process?

- Background

In the March 17, 2022 Draft Final Proposal, Section 4.1, the ISO proposed: (1) for Cluster 14, on a one-time basis, an IR may proceed into the Phase II studies using a Deposit in lieu of Site Exclusivity, but the entire amount of its site exclusivity deposit is non-refundable if it withdraws after having made its initial IFS posting; (2) beginning with Cluster 15 and beyond, increase the Deposit in lieu of Site Exclusivity requirements to \$250k for small generators (20 MW and below) and \$500k for large generators (greater than 20 MW); (3) If an IR is withdrawn on or before thirty (30) calendar days following the Scoping Meeting, the CAISO shall refund to the Interconnection Customer the entire amount of its site exclusivity deposit; and (4) if an IR is withdrawn more than thirty (30) calendar days following the Scoping Meeting without having provided a demonstration of site exclusivity, 50% of the site exclusivity deposit is non-refundable.

- Stakeholder Feedback

The ISO received stakeholder comments from 17 stakeholders. Ten fully support the proposal, three support but suggest more stringent criteria, and four support but suggest some level of easing of the criteria.

One stakeholder requested clarification and others made suggestions on criteria for demonstrating site exclusivity. Specific criteria for demonstrating site exclusivity will be proposed in the GIDAP BPM and the ISO will ensure that stakeholders have adequate input into the changes. Based on these comments the ISO is proposing to not make any changes to the proposal.

- Final Proposal

Other than one clarification, the Final Proposal is not making any changes to what was proposed in the Draft Final Proposal.

For Cluster 14 IRs:

- (1) For Cluster 14, on a one-time basis, an IR may proceed into the Phase II studies using a Deposit in lieu of Site Exclusivity, but the entire amount of its site exclusivity deposit is non-refundable if it withdraws after having made its initial IFS posting.

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- (2) If an IC demonstrates site exclusivity for a Cluster 14 IR at any time while the project is active, the IC will receive a full refund of its site exclusivity deposit.
- (3) Since site exclusivity is not required for Cluster 14 projects to proceed into the Phase II studies, the site exclusivity deposit will be governed by ISO Tariff Appendix DD, Section 3.5.1.3 Use of Site Exclusivity Deposit, and GIDAP BPM, Section 5.4.3.4 Use of Site Exclusivity Deposit.

For Cluster 15 IRs and beyond:

- (1) Beginning with Cluster 15 and beyond, increase the Deposit in lieu of Site Exclusivity requirements to \$250k for small generators (20 MW and below) and \$500k for large generators (greater than 20 MW).
- (2) If an IR is withdrawn on or before thirty (30) calendar days following the Scoping Meeting, the CAISO shall refund to the Interconnection Customer the entire amount of its site exclusivity deposit.
- (3) If an IR is withdrawn more than thirty (30) calendar days following the Scoping Meeting without having provided a demonstration of site exclusivity, 50% of the site exclusivity deposit is non-refundable.
- (4) If an IC demonstrates site exclusivity for an IR at any time while the project is active, the IC will receive a full refund of its site exclusivity deposit.
- (5) Site exclusivity will be required to move into the Phase II study process and the site exclusivity documents will be due 10 business days prior to the initial IFS posting due date for each project.
- (6) If the site exclusivity requirement is not met, the IR is withdrawn and 50 percent of the ICs site exclusivity deposit is non-refundable.

The ISO proposes that any non-refundable site exclusivity deposits will be used to offset the cost of the reassessment studies. Each year's non-refundable site exclusivity deposits will be used to offset a portion of the cost to each IC that incurs costs from the ensuing reassessment study on a prorated basis, up to its full cost for the reassessment. If the non-refundable site exclusivity deposit amount for any given year exceeds the total cost of that year's reassessment, the surplus will be distributed in accordance with ISO Tariff Appendix DD, Section 7.6 – Application of Non-Refundable Amounts.

The ISO's current Appendix A definition of "Site Exclusivity" provides how interconnection customers can demonstrate site exclusivity on public land; however, this language is specific to BLM applications, which had been the predominant use-case. Because the ISO will begin to see offshore wind applications as well, the ISO proposes to remove case-specific language in the tariff. The ISO believes this is prudent because it has little experience with offshore wind applications, public land licensing processes can change, and flexible tariff language would align the ISO

tariff with other ISO/RTO tariffs. The ISO would instead include a broad provision that the interconnection customer must demonstrate it holds a duly executed written contract or option to purchase, acquire an easement, a license or a leasehold interest in the real property for which new interconnection is sought; or that the interconnection customer has filed applications for required permits to site on federal or state property. The ISO would also specify in the tariff that it will include current, known requirements for certain use cases in the business practice manual. This approach will provide the ISO and interconnection customers with flexibility to meet public land requirements without the risk of needing to change the tariff frequently to match public land requirements.

5 Other Issues

5.1 Expanded errors and omissions process to provide criteria and options when changes to network upgrade requirements occur after Financial Security (IFS) postings have been made

- Background

In the March 17, 2022 Draft Final Proposal, Section 5.1, the ISO proposed that any cost responsibility increases associated with an error or omission discovered after a project makes its second IFS posting should be the responsibility of the party that made the error or omission. Specifically, the MCR and MCE cannot be increased due to an error or omission discovered after the second IFS posting due date has passed.

The ISO further proposed that when an error or omission is discovered after a project has made either its first or second IFS posting that increases the aggregate of all costs for the project to interconnect, regardless of whether the cost is refundable, pushes back its earliest achievable ISD or the in service date for any DNUs required by the project to achieve its requested deliverability status, or the interconnection customer has a PPA that was terminated due to the impacts of the error or omission, the project would be given the option to either accept and move forward with the changes or withdraw and receive a full refund for its IFS and a refund of any unused study deposit. The ISO proposed a cost increase threshold of five percent or one million dollars, and delay of more than one year in the earliest achievable ISD or the in service date for any DNU required by the project.

- Stakeholder Feedback

The ISO received 13 comments from stakeholders on this topic, of which 11 stakeholders supported the ISO's proposal, one supported but suggested lowering the threshold criteria for a substantial error or omission, and one opposed.

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SCE reiterates its disagreement with the CAISO placing the cost responsibility on the PTO for a substantial error or omission after the IFS posting have been made. Based on these comments the ISO is proposing to not make any changes to the proposal.

- Final Proposal

The Final Proposal is not making any changes to what was proposed in the Draft Final Proposal. The ISO proposes that any cost responsibility increases associated with an error or omission on the part of the Participating TO that is discovered after a project's due date for its second IFS posting would be the responsibility of the Participating TO. The MCR and MCE cannot be increased due to an error or omission discovered after the second IFS posting due date has passed. Any changes or modifications to the project by the interconnection customer that increase the cost responsibility for the project would be the responsibility of the interconnection customer.

The ISO further proposes that when an error or omission on the part of the Participating TO is discovered after an active project's¹⁸ due date for either its first or second IFS posting that meets any of the conditions below, the project may be eligible for a refund of its IFS and any unused study deposit.

- a. The aggregate of all costs for the project to interconnect increases, regardless of whether the cost is refundable.
- b. The project's earliest achievable ISD or the in service date for any DNU required by the project to achieve its requested deliverability status is pushed back.
- c. A PPA that the project has executed is adversely impacted, resulting in the termination of the PPA.

Changes or modifications to the project by the interconnection customer would not be a cause for the interconnection customer to receive this proposed refund.

If a project meets one of the three criteria above, the project would have to meet the relevant threshold criteria provided below. If it does, the project would be given the option to either accept and move forward with the changes or withdraw and receive a full refund of its IFS and a refund of any unused study deposit.

¹⁸ This means that only after a project has completed its required interconnection financial security posting and the due date for the posting has passed, would a project be considered for eligibility for a refund.

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For the threshold criteria the ISO proposes to modify the definition of a substantial error or omission from ISO Tariff Appendix DD, Section 6.8.1 in a manner similar to the following.

A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement of the Interconnection Customer's total cost responsibility for Network Upgrades and Participating TO Interconnection Facilities by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; ~~or~~
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation by more than one year, based on most recent COD as documented in the final Phase II Interconnection Study report, the latest reassessment study report, or the GIA, as applicable; or
- (iii) the Interconnection Customer has a PPA that was terminated due to the impacts of the error or omission. The termination of the PPA shall be documented in a manner that demonstrates the grounds for terminating the PPA was solely due to the IC being unable to meet its performance obligations pursuant to the terms and conditions in the PPA specifically due to the impacts of the error or omission, or because of financial penalties imposed on the seller solely due to the impacts of the error or omission.

5.2 Clarify definition of Reliability Network Upgrade (RNU)

- Background

The March 17, 2022 Draft Final Proposal maintained the ISO's proposal to clarify its existing policy that a RAS is always considered an RNU, regardless of the study that identified the need for the RNU.

- Stakeholder Feedback

The ISO received four comments from stakeholders, two in support, one in support with comment, and one opposing the ISO's proposal.

CalWEA believes that the achievable earliest COD of a resource should not be impacted by a RAS when congestion management is feasible in lieu of the deliverability study triggered RAS. RASs are not triggered as a mitigation for Deliverability. The feasibility of interim congestion management in lieu of an identified RNU needs to be determined by operations via the limited operations

study.

LSA continues to oppose this initiative. Their position remains that if these upgrades are needed for project operation and “reliability” should not change the fact that they are related to DNUs and only exist because of DNUs, and the cost treatment should thus be consistent with that applied to DNUs. In response to LSA’s concerns the IRs responsible for each RAS are grouped together pursuant to ISO Tariff Appendix DD, Section 6.1.3. The cost responsibility for the RAS as an RNU is allocated to the corresponding electrical group.

- Final Proposal

The only RNUs the ISO’s deliverability studies may identify are RASs. This is not to say that the RAS is required for deliverability. It means that the assumptions the ISO uses in the deliverability studies are different than the initial reliability studies. Rather than requiring the Participating TOs to re-run the reliability studies based on the outcome of the deliverability studies, RASs are RNUs are merely included as deliverability study results. If a RAS is determined to be needed in any study, the RAS is required for all projects in the study area, including Energy Only projects. Unlike a DNU, a RAS may be required for a project to synchronize to the grid and a limited operations study is needed to determination if the project can synchronize prior to the RAS being in service.

Because there has been confusion on this issue, the ISO proposes to clarify its existing policy that a RAS is always considered an RNU, regardless of the study that identified the need for the RNU. Because RASs are RNUs, they are included, and will continue to be included, in the RNU reimbursement calculation.

5.3 Transferring Participating Transmission Owner (TO) Wholesale Distribution Access Tariff (WDAT) Projects into ISO Queue

- Background

The ISO’s March 17, 2022 Draft Final Proposal Section 5.5 retained its proposal to move forward with developing tariff language allowing the ISO to accept interconnection request transfers from a Participating TO’s WDAT queue to the ISO queue.

- Stakeholder Feedback

The ISO received stakeholder comments from nine stakeholders on this proposal, six in support and three in support with additional comments. LSA and SEIAE support with the additional request for information regarding substation/line operational control be made public for facilities over 50 kV on the PG&E and SDG&E

systems that are under PTO control, and facilities that are under 200 kV on the SCE system that are under CAISO control. MRP supports provided that it prevents WDAT projects from jumping ahead of projects in the ISO's interconnection queue. PG&E commented that they will work on reciprocal tariff changes to PG&E's WDT to receive transfers from the CAISO.

- ISO response to Stakeholder comments

To address LSA and SEIA a Data Transparency Workgroup is exploring what information can be made public regarding operational control of substations/lines. Additionally, the ISO clarifies that when a project submitted to a Participating TO during a cluster window is found to have requested a transmission level POI, the project will be accepted by the ISO into its queue for study in the same cluster, it would not have advantage over any other project in the queue cluster.

- Final Proposal

The ISO proposes to move forward with developing tariff language for allowing the ISO to accept interconnection request transfers from the Participating TO's WDAT queue to the ISO queue. The ISO will work with the Participating TO's to develop any criteria necessary to ensure that the transfer occurs within an appropriate window of time. Once the ISO has amended its tariff, the Participating TOs could revise their WDATs to include reciprocal language about receiving IRs initially submitted to the ISO. Each Participating TO have a unique window for accepting WDAT IRs. The ISO proposes to work directly with the Participating TOs to develop the specific criteria for this process that accommodates the various differences between the Participating TOs and put forth a more detailed proposal in the next IPE paper.

5.4 Changing Sites and POIs during IR Validation

- Background

In the March 17, 2022 Draft Final Proposal, Section 5.6, the ISO kept its proposal that the timing of the process for changing POIs remain consistent with current ISO practice that the interconnection customer must confirm its POI within five business days of the project's scoping meeting and any change in POI will be limited to within the same transmission study area as the POI originally requested in its Interconnection Request. If an interconnection customer requests a change of its POI consistent with this criteria, it may change its site as well. Site changes will only be permitted in conjunction with a permissible change in POI.

- Stakeholder Feedback

The ISO received nine comments on this initiative, eight in support and one in support with comments. Avangrid Renewables, CalWEA Hydrostor Inc., LSA supports subject to the ISO’s commitment to provide the definition of “Same Transmission Area” and “Transmission Study Area” with a publicly available map clearly showing the boundaries made available.

The ISO will work with the PTOs to seek an appropriate for defining “Same Transmission Area” and “Transmission Study Area.” The ability to request a site change later via the MMA process is unchanged.

- Final Proposal

The ISO proposes the timing of the process for changing POIs remain consistent with current ISO practice that the interconnection customer must confirm its POI within five business days of the project’s scoping meeting and any change in POI will be limited to within the same transmission study area¹⁹ as the POI originally requested in its Interconnection Request. If an interconnection customer requests a change of its POI consistent with this criteria, it may change its site as well. Site changes will only be permitted in conjunction with a permissible change in POI.

5.5 Should parked projects be allowed to submit MMAs while parked?

- Background

Based on the feedback in the March 17, 2022 Draft Final Proposal, the ISO’s final proposal is to allow parked projects to only request modifications for downsizing, fuel-type, technology type (e.g. wind to storage, solar to storage, solar to wind, etc.) and POI changes, but the Interconnection Customer must make the second IFS posting when submitting the MMA.

- Stakeholder Feedback

The ISO received stakeholder comments from nine stakeholders on the topic of developing an emergency generation interconnection process of which six stakeholders supported the proposal and three stakeholders support the proposal but want to revise the types of modifications that can be made while the project is parked.

CESA, CalWEA, EDF-R, Hydrostor, Strata Clean Energy supports the Draft Final Proposal. SCE supports the Draft Final Proposal provided the modifications are

¹⁹ Study areas change infrequently, but are established annually in the ISO’s transmission planning process. See, e.g. the ISO’s proposed TPP study plan for 2020-21 at p. 9, available at http://www.caiso.com/Documents/FinalStudyPlan_2020-2021TPP_Revised.pdf.

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limited to downsizing, fuel-type, technology-type and POI changes and the second IFS posting has been made prior to the MMA being submitted.

LSA supports the proposal with clarifications and additional modifications. LSA wants to continue to allow modifications that are approved without a MMA²⁰, addition or subtraction of energy storage, without increasing the POI should qualify as “technology changes”. Middle River Power also believes that inverter changes should be allowed during parking because they could reduce short circuit current and potentially obviate the need for an upgrade. MRP is concerned that the CAISO could end up in a situation where a project that is parked has achieved synchronization without being able to update its inverters due to design changes. For these reasons, MRP respectfully requests the CAISO reconsider its proposal to not allow MMAs for inverter changes for parked projects. SDG&E supports the proposal provided a change in POI is not included because any change of POI would require a re-study or at a minimum re-scoping by the Participating TO to determine the new POI feasibility. The tariff and GIDAP BPM already state: “Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under ISO Tariff Appendix DD, Section 6.7.2 and GIDAP BPM 7.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request to accommodate such modification.” SEIA supports this proposal but would like confirmation from the CAISO that the proposal to allow parked projects to request fuel and technology type changes would not contradict the FERC Order 845 and Order 845-A definition of “permissible technological advancement” which explicitly precludes changes in generation technology or fuel type.

- **Final Proposal**

The ISO’s intention of this issue in the IPE initiative was to limit the types of modifications a project can request while parked to reduce the burden of studies for projects likely to re-modify their projects or withdraw based on TPD results. To clarify for LSA, the only modifications allowed while a project is parked are downsizing, fuel-type, technology type (e.g. wind to storage, solar to storage, solar to wind, etc.) and POI changes, but the Interconnection Customer must make the second IFS posting when submitting the MMA. In addition, the ISO will allow Permissible Technological Advancements. The ISO’s proposal is that Section 6.2.1 of the BPM for Generator Management modifications would not be allowed while a project is parked.

²⁰ BPM for Generator Management, Section 6.2.1

As previously stated, the ISO does not believe that inverter changes need to be added because they can be done once the project exits parking and will likely change several times over the construction period due to changes in technology and availability. SDG&E's concern about the ability to change POI would be changes consistent with the modifications allowed in ISO Tariff Appendix DD, Section 6.7.2 and GIDAP BPM Section 7.2 and there have been POI changes that did not require a restudy and therefore should be allowed when the project is parked. With respect to SEIA's concern regarding contradicting FERC Order No. 845, the ISO will permit Permissible Technological Advancements during parking, and in any case, Order No. 845 does not speak to parking, which is a unique feature of the ISO's procedures.

The ISO's final proposal is to allow parked projects to only request modifications for downsizing, fuel-type, technology type (e.g. wind to storage, solar to storage, solar to wind, etc.), POI changes, and Permissible Technological Advancements as defined in the BPM for Generator Management Section 6.6, but the Interconnection Customer must make the second IFS posting when submitting the MMA.

6 Other Stakeholder Suggested Proposals

6.1 Adding due dates for curing deficiencies in Appendix B, to avoid delays in starting Phase II studies

- Background

The March 17, 2022 Draft Final Proposal, Section 6.1, maintained the ISO proposal to add a deadline for the validation of Appendix B's, where all Appendix B's and any associated technical data must be deemed valid by 70 calendar days after the date of the Phase I study report. Those not valid would be withdrawn with five business days to cure.

- Stakeholder Feedback

The ISO received nine comments from stakeholders on this topic, two in support, four in support with comments, and three in opposition with comment. CalWEA agrees with the ISO proposal, but asked that Appendix B be reviewed to remove unnecessary data requirements. Hydrostor Inc. supports greater clarity on timelines as long as it is presented in a transparent manner to all parties.

CalWEA suggested, and Hydrostor agreed, that the Appendix B needs to be updated. Suggested items for removal were the requirement for a 7.5-minute quadrangle of the site is outdated as it is redundant to the kmz file of the site, physical dimensions, bus length, tower numbers, number of third-party easements,

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alternate source of auxiliary power, and PLC protocol are only known at the time of project implementation and are not needed for the Phase II study (or the Facility Study for ISP applications). Hanwah Q Cells USA approved of the initiative, but map provide comments following their review of the proposed tariff language. SEIA expressed concern regarding the timing for projects with results meetings later in the meeting schedule. They suggested standardizing communication processes between the ISO, PTO and Interconnection Customer to support resolution of deficiencies in a timely manner, and allowing Interconnection Customers a second five (5) Business Day cure period if the initial deficiency response is still deficient. LSA, Middle River Power, and RWE oppose due to the proposal not allowing all projects having the same amount of time to cure deficiencies, but could support by tying the validation period to the results meeting rather than the issuance of the Phase I report.

The ISO thanks CalWEA's list of suggested data points for possible removal from the Appendix B. The form is provided by FERC. The ISO can review the form and see if any modifications can be made based on CalWEA's input.

In response to SEIA's concerns, the ISO will continue to keep communications among itself, the PTOs, and Interconnection Customer as streamlined as possible. Having a second cure period is not in line with the current Appendix DD 3.8. While the Interconnection Customer does not have control over when their meeting will be held, they do have control over when they submit their Appendix B, giving them control over the remaining 40 CD left for validation. If an IC had a results meeting on the very last day allowed by the Tariff and did not submit their Appendix B as required, and if the ISO took the full five (5) BD allowed in Appendix DD 3.8 to send a deemed withdrawn notification with five (5) Business Days to cure, and if the IC took the full allotted time of five (5) BD to submit, there would still be 12 CD left for any back and forth needed to validate the submittal. It is highly unlikely that the ISO would not act promptly when the due date passed without a submittal, and the engineering team is conscientious of the required timeline to get the forms reviewed.

To LSA's, MRP's, and RWE's request to adding a validation date based on the results meeting for each project is not only an administrative burden, but also has the potential to overburden technical resources at both the ISO and the PTO due to the timeline to complete results meetings within 30 CD from the issuance of the Phase I study results.

- Final Proposal

ISO Tariff Appendix DD, Section 7 states "Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the ISO the completed form of Appendix B". The ISO proposes to

add a deadline for the validation of Appendix B's, where all Appendix B's and any associated technical data must be deemed valid by 70 calendar days after the date of the Phase I study report. Those not valid would be withdrawn with five business days to cure.

6.2 Modification to Commercial Viability Criteria

- Background

The March 17, 2022 Draft Final Proposal proposed that the commercial viability criteria should be assessed only if the Interconnection Customer submits the modification request to delay beyond the seven years and not when the Participating TO triggers a delay. With respect to the definition of delay, it should be based on the party that caused the delay. A few examples:

- If the Participating TO cannot get the equipment needed for the project until after the originally anticipated date and it will delay the In-Service Date, then it is a Participating TO delay.
- If the IC does not meet a document submittal deadline to the Participating TO, then it is an IC delay.

- Stakeholder Feedback

The ISO received stakeholder comments from 10 stakeholders on the proposal to only assess commercial viability criteria if the Interconnection Customer submits the modification request to delay beyond the seven years and not when the Participating TO triggers a delay. CESA, LSA/SEIA, Middle River Power, PG&E, SCE, and SDG&E. support this proposal.

CalWEA, Strata Clean Energy and Hydrostor support this proposal with suggests for improvement. CalWEA notes the proposal does not resolve concerns regarding project interconnection before all RNUs are in service. Particularly, they explain the timing of the Limited Operation Study (LOS), which occurs 5 months before the ISD, does not provide enough time for project development. They explain that a mechanism should be in place for developers to understand whether a project can interconnect within two years and a non-binding LOS should evaluate if the projects with executed GIAs can interconnect as requested by relying on market operation instead of reliability upgrades. Hydrostor and Strata Clean Energy echo CalWEA's concern that there is not enough time for project development with the current LOS study timeline and reevaluating this timeline would be helpful for projects seeking to assist in meeting the state's Mid-Term Reliability needs. As the ISO stated in the March 17, 2022 Draft Final Proposal, a 24 month LOS, is not practical as discussed in the December 6th Issue Paper and Straw Proposal. At two years prior to

synchronization, the assumptions would be that all transmission is built, unless there is a known delay, and all projects are coming online therefore no information could be garnered from that type of a study and it would take resources away from other valuable work.

- Final Proposal

The ISO proposes to retain its existing proposal for commercial viability criteria, it should be assessed only if the Interconnection Customer submits the modification request to delay beyond the seven years and not when the Participating TO triggers a delay. With respect to the definition of delay, it should be based on the party that caused the delay. A few examples:

- If the Participating TO cannot get the equipment needed for the project until after the originally anticipated date and it will delay the In-Service Date, then it is a Participating TO delay.
- If the Interconnection Customer does not meet a document submittal deadline to the Participating TO, then it is an Interconnection Customer delay.

6.3 Expanding Deliverability Transfer Opportunities

- Background

The March 17, 2022 Draft Final Proposal proposed ISO tariff language that expands ability to transfer deliverability to projects at the same substation and same voltage is the same level at which deliverability is allocated to the Interconnection Customers. The ISO proposed to revise ISO Tariff Appendix DD, Section 8.9.9 and the definition of Point of Interconnection to be at the substation and voltage level versus at a specific point in the substation. This will allow greater opportunity for projects to transfer deliverability.

- Stakeholder Feedback

A total of eight stakeholders provided comments supporting this topic, CalWEA, CESA EDF- Renewables, Hydrostor Inc, LSA/SEIA, Middle River Power, PG&E, and Strata Clean Energy all support the topic.

- Final Proposal

The ISO proposes to revise ISO Tariff Appendix DD, Section 8.9.9 but upon further consideration, not the definition of Point of Interconnection (POI). The change proposed for the definition of POI has potentially farther reaching impacts if reference to distribution connected generators are deleted from the definition and the ISO believes all issues regarding deliverability transfers can be incorporated into ISO Tariff Appendix DD, Section 8.9.9.

6.4 Requirement that any IR that proposes to utilize a third party owned gen-tie must provide documentation as part of their IR that demonstrates that the gen-tie owner has agreed to the project using its gen-tie

- Background

In the March 17, 2022 Draft Final Proposal, Section 6.4, the ISO proposed (1) for Cluster 14, that a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the gen-tie or substation will be required to enter into the Cluster 14 Phase II study, and (2) starting with Cluster 15, the IR submittal will require a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the gen-tie or substation, and require an executed gen-tie sharing agreement to proceed into the Phase II studies.

- Stakeholder Feedback

The ISO received comments from 8 stakeholders on this topic, of which six supported the ISO's proposal. CalWEA had concerns with the required due dates, and LSA opposed.

LSA is concerned that the ISO has offered no evidence that lack of early gen-tie sharing agreements has been a significant contributor of project failures. In response, while not providing specific data on the issue, the ISO is currently dealing with a number of projects that are creating issues of uncertainty in what network upgrades will ultimately be needed. In one case, the interconnection customer is resisting negotiating with the gen-tie owner speculating that the gen-tie owner will withdraw. Furthermore, with the declining number of open positions for interconnecting new generators, the ISO expects these type of IRs to increase and does not believe it is appropriate to wait until the issue become significantly greater.

Based on these comments the ISO is proposing to not make any changes to the proposal.

- Final Proposal

The Final Proposal is not making any changes to what was proposed in the Draft Final Proposal.

For Cluster 14:

The ISO proposes for Cluster 14, that a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the gen-tie or substation will be required to enter into the Cluster 14 Phase II study.

The letter of intent must document the intent of the parties to negotiate the terms

of the sharing agreement. The proposal is to further require an executed gen-tie sharing agreement following the Phase II studies. The executed agreement would be due at the time the second IFS posting is due.

For Cluster 15 and beyond:

The ISO proposes that starting with Cluster 15, the IR submittal will require a letter of intent between the non-PTO owned or third party gen-tie or substation and the project seeking to share the gen-tie or substation. The letter of intent must document the intent of the parties to negotiate the terms of the sharing agreement. The proposal is to further require an executed gen-tie sharing agreement to proceed into the Phase II studies. The executed agreement would be due at the time the initial IFS posting is due.

For a request for project modification:

If a gen-tie sharing arrangement is requested in conjunction with a request for project modification, the ISO would require an executed gen-tie sharing agreement to proceed with the MMA. The proposal related to MMAs is to be implemented upon FERC approval of the IPE tariff changes.

The ISO does not propose to include tariff requirements for the terms and conditions in the letter of intent or the subsequent gen-tie sharing agreement. If at a future date it is determined that requirements are needed, the ISO would propose such requirements in a modification to the GIDAP BPM.

6.5 Recommendation that after the IR validation, the ISO should be consistent in using RIMS for all documents, details, etc. related to projects

- Background

The March 17, 2022 Draft Final Proposal was that all communication handled now exclusively via email, including deliverability allocation results, financial security posting requests, and MMA documentation (requests, data files and results), repowering and Limited Operation Study documents (request, study plan and study report) should be provided on RIMS in addition to being communicated via email and other written correspondence.

- Stakeholder Feedback

The ISO received comments from 14 stakeholders which all supported the proposal. CalWEA, Hydrostor Inc., LSA/SEIA, Middle River Power, SCE, SDG&E, and Strata Clean Energy support the ISO proposal with no changes.

- Final Proposal

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The ISO proposes to retain the existing proposal first stated in the Issue Paper and Straw Proposal to include in the RIMS documents deliverability allocation results, financial security posting requests, and MMA documentation (data files and results), repowering and Limited Operation Study documents (request, study plan and study report), and other final communication among the parties.

7 Stakeholder engagement

The schedule for stakeholder engagement is provided below. The ISO will present its proposal for phase 1 to the Board of Governors in May 2022, and phase 2 will be presented to the Board of Governors in November 2022.

Date	Event
09/30/21	Publish preliminary issue paper
10/08/21	Stakeholder suggestions due
10/19/21	Stakeholder workshop on preliminary issue paper
10/28/21	Stakeholder comments due on preliminary issue paper and workshop
12/06/21	Publish issue paper/straw proposal
12/13/21	Stakeholder conference call on issue paper/straw proposal
01/03/22	Stakeholder comments due on issue paper/straw proposal
01/25/22	Publish revised straw proposal
02/01/22	Stakeholder conference call on revised straw proposal
02/15/22	Stakeholder comments due on revised straw proposal
Phase 1	
03/17/22	Publish draft final proposal
03/24/22	Stakeholder conference call on draft final proposal
03/31/22	Stakeholder comments due on draft final proposal
04/21/22	Publish final proposal and draft tariff language
04/28/22	Stakeholder conference call on final proposal and draft tariff language *verbal comments on final proposal will be accepted during the conference call
5/5/22	Stakeholder comments due on draft tariff language
May 2022	Board of Governors Meeting
Phase 2	
06/07/22	Publish draft final proposal
06/14/22	Stakeholder conference call on draft final proposal
06/28/22	Stakeholder comments due on draft final proposal
07/26/22	Publish draft tariff language and final proposal
08/09/22	Stakeholder comments due on draft tariff language
08/16/22	Stakeholder conference call on final proposal
08/30/22	Stakeholder comments due on final proposal
October 2022	Board of Governors Meeting

2021 Interconnection Process Enhancements
Final Proposal – Phase 1: Near-Term Enhancements

The ISO will hold a stakeholder meeting on April 28, 2022 to review the Final Proposal – Phase 1: Near-Term Enhancements. Stakeholders are encouraged to provide verbal comments on this Final Proposal during the stakeholder call on April 28, 2022.

Attachment D – Board of Governors Memo
Interconnection Process Enhancements
California Independent System Operator Corporation
June 2, 2022



Memorandum

To: ISO Board of Governors

From: Neil Millar, Vice President of Infrastructure and Operations Planning

Date: May 4, 2022

Re: **Decision on Interconnection Process Enhancements – Phase 1**

This memorandum requires ISO Board of Governors action.

EXECUTIVE SUMMARY

The interconnection process enhancement 2021 initiative (IPE) is representative of the ISO's ongoing commitment to improve its Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and make process enhancements as resource interconnection needs evolve.

To date, the ISO's GIDAP has fully processed nearly 2,000 projects, providing interconnection customers with the information needed to be able to make decisions on how to proceed with their projects and to compete for a power purchase agreement with California procurement entities. With the significant acceleration in procurement targets, numerous generator retirements, load growth, and state mandates for non-carbon emitting generation, the ISO's processes must continue to evolve to align with the new dynamics driving resource development. The dramatic increase in competition among suppliers has significantly increased the pressure on the GIDAP. With cluster 14, the ISO experienced unseen volumes of projects seeking to position themselves to compete in the procurement processes of load serving entities and other procurement entities. Across the country as well as in California, stakeholders and regulators have initiated discussions on methods to better accommodate increasing pressure on interconnection processes.

This IPE initiative consists of two phases. Phase 1 focuses on near-term enhancements that are needed immediately so they can be applied to the ongoing cluster 14 study process, as well as enhancements that have broad stakeholder support and can be resolved more quickly. The phase 2 enhancements focus on resolving longer term modifications and broader reforms to align interconnection processes with procurement activities. The phase 2 portion of the IPE initiative will continue in June, discussing the topics that stakeholders agreed were appropriate for further discussions. The ISO plans to present these enhancements to the ISO Board of Governors for decision in October. In parallel, staff is working with stakeholders on providing more data transparency. The development of a process to provide stakeholders greater data transparency and easier

access to data does not require a change to the ISO tariff and does not require the Board's approval to implement. This discussion was removed from the IPE initiative and is proceeding on a standalone basis. The first stakeholder meeting has been completed and stakeholder comment received.

Within the IPE initiative, ISO stakeholders and the ISO have worked together to develop enhancements to several components of the GIDAP. These enhancements are designed to better align the ISO's deliverability allocation process with procurement, and ensure viable projects easily retain deliverability while projects not moving forward relinquish deliverability. Likewise, the ISO proposes to raise the bar for interconnection requests to enter the queue and continue to be studied. The ISO also proposes to provide interconnection customers with more data to help interconnection customers progress while in queue.

The IPE phase 1 stakeholder discussions resulted in thirteen near-term enhancements that Management seeks approval for, presented here for Board consideration. They are:

1. Modifications to the transmission plan deliverability allocation process,
2. Requiring projects to demonstrate site exclusivity earlier in the process and increasing the site exclusivity deposits and non-refundable portions,
3. A new process allowing for the interconnection of new generation under an emergency state mandate,
4. Simplifying the downsizing process,
5. Enhancing the errors and omissions process to mitigate late changes,
6. Clarifying the definition of reliability network upgrade,
7. Clarifying interconnection request transfers from the Participating TO's wholesale distribution access tariff queue,
8. Clarifying site and point of interconnection change processes,
9. Allowing interconnection customers to make certain modifications to parked projects,
10. Clarifying the deadline for Appendix B data before Phase II studies,
11. Expanding deliverability transfer opportunities,
12. Clarifying requirements to utilize third-party interconnection facilities, and
13. Enhancing communication processes and data access using the resource interconnection management system.

Management recommends the following motion:

Moved, that the ISO Board of Governors approves the proposed interconnection process enhancements, as described in the memorandum dated May 4, 2022; and

Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposal, including any filings that

implement the overarching initiative policy but contain discrete revisions to incorporate Commission guidance in any initial ruling on the proposed tariff amendment.

DISCUSSION AND ANALYSIS

The thirteen IPE issues addressed in this phase of the initiative include enhancements to help projects more efficiently and effectively move through the queue, enhancements that are intended help the ISO manage the queue, and enhancements that are intended to address other residual process improvement needs that have become apparent since the last IPE initiative in 2018. Management seeks Board approval of the following enhancements:

1. Modifications to the Transmission Plan Deliverability allocation process

The ISO sought stakeholder input on methods for enhancing the transmission plan deliverability allocation process to better align the process with generation procurement. The ISO's goals were to allocate deliverability to projects more likely to succeed and reach commercial operation, and to free up deliverability sooner by requiring projects to meet certain milestones to retain allocated deliverability.

Transmission plan deliverability refers to the transmission capacity needed for a generator to be deemed full capacity deliverability status and have the ability to deliver its output during peak conditions.¹ A resource does not require transmission plan deliverability to interconnect to the ISO system, and can instead elect to interconnect as an "energy only" resource. However, interconnection customers generally seek transmission plan deliverability to be eligible to provide resource adequacy capacity to a load serving entity. Currently, the ISO allocates transmission plan deliverability based a project's eligibility to seek an allocation from one of seven allocation groups that are arranged in decreasing order of priority. The order is based on having an executed power purchase agreement, being shortlisted for a power purchase agreement or actively negotiating a power purchase agreement, attesting to proceed without a power purchase agreement, and four other categories for operational or already-studied projects that need to be re-studied for deliverability.

This initiative garnered significant stakeholder interaction and went through a number of proposal iterations with the final proposal receiving strong stakeholder support. The result is a simplified and streamlined process that better aligns the allocation and retention of transmission plan deliverability with procurement activities, and aids in moving resources more efficiently and effectively through the queue. Management proposes to replace the original seven allocations groups with the four proposed

¹ Deliverability does not guarantee any level of transmission capacity or avoided curtailment. All generators are subject to security-constrained economic dispatch, which can be affected by bids, outages, and topology changes.

allocation groups depicted in the following table:

Proposed Allocation Groups²

Allocation Group	Status of Project	Allocation Requirement	Allocation Rank
A (combining prior groups 1 & 4)	Any project (active IR or achieved commercial operation)	Executed PPA requiring FCDS or interconnection customer is a LSE serving its own load	Allocated 1 st
B (combining prior groups 2 & 5)	Any project (active IR or achieved commercial operation)	Shortlisted for PPA or actively negotiating a PPA	Allocated 2 nd
C (combining prior groups 6 & 7)	Any project that achieved commercial operation	Commercial operation achieved	Allocated 3 rd
D (replaces prior group 3)	Any active project that meets the allocation group D criteria ³	No requirements for a PPA, shortlist, or commercial operation	Allocated 4 th

Note: IR: Interconnection Request, PPA: Power Purchase Agreement, FCDS: Full Capacity Deliverability Status

The allocation groups are designed to prioritize projects based on their position in the queue cluster study process (including parking opportunities), giving priority to projects that are eligible to have delivery network upgrades built to achieve full capacity deliverability status.⁴ Additional priority is given to projects that have obtained a power purchase agreement, or are on a power purchase agreement shortlist, that requires a project to be full capacity deliverability status. The lowest priority is given to projects that do not have a power purchase agreement, are not shortlisted and have yet to achieve commercial operation. This eliminates the current concept of “proceeding without a PPA,” which stakeholders agreed was illusory, while still affording all interconnection customers the opportunity to obtain deliverability.

The ISO also proposes to clarify the type of power purchase agreement that warrants the highest priority for obtaining deliverability. Delivery network upgrades are financed by ratepayers to ensure sufficient resource adequacy capacity (and thus reliability). Although the tariff requires power purchase agreements to require deliverability, the ISO proposes to clarify that the off taker must require deliverability pursuant to a resource

² The allocation group designations have changed from numbers to letters to differentiate from the projects that have received allocations under the prior allocation definitions.

³ All projects are eligible for Group D in the allocation cycle beginning in 2022, narrowing to only projects with full capacity deliverability status and partial capacity deliverability status in the allocation cycle beginning in 2023 and beyond. Projects choosing Group D become subject to additional restrictions that limit their flexibility.

⁴ Only projects with full capacity deliverability status are able to build upgrades if needed to receive an allocation.

adequacy obligation. This clarification restores the ISO's intent and aligns deliverability with its intended purpose. However, Management also proposes that projects with a power purchase agreement with an entity that does not have a resource adequacy obligation can still qualify so long as they demonstrate the resource adequacy attributes of the project are procured by an entity with a resource adequacy obligation for a term of three years or more. The ISO also proposes that all power purchase agreements must have a minimum three-year term to qualify for the highest deliverability priority beginning with the 2023-24 allocation cycle.

2. Requiring projects to demonstrate site exclusivity earlier in the process

“Site exclusivity” refers to having property rights to construct and operate a generator. Developers can use options, leases, or purchases for private land, and the applicable permits for public areas. Currently interconnection customers can submit cash deposits in lieu of site exclusivity up until construction.⁵ Stakeholders suggested requiring actual site exclusivity earlier in the process to address the overheated queue.

Management proposes to increase the existing site exclusivity deposit requirement,⁶ make 50 percent of the deposit non-refundable if the customer withdraws before demonstrating site exclusivity, and require a demonstration of site exclusivity to be eligible to continue with the phase II study. These changes will incentivize interconnection customers to withdraw less viable projects prior to entering the phase I study process. Additionally, by requiring a demonstration of site exclusivity to enter the phase II study, the ISO will reduce the number of projects entering the phase II study process. Management anticipates this will result in a more manageable queue, more accurate studies, and a higher percentage of viable projects in the phase II study. The ISO also plans to include a transition period for cluster 14 that allows interconnection customers with deposits to still enter the phase II study, but incentivizes them to demonstrate site exclusivity by subjecting them to 100 percent of their site exclusivity deposit being non-refundable upon withdrawal. Management also clarifies any interconnection customer with a deposit can receive a full refund upon demonstrating site exclusivity.

3. New process allowing for the interconnection of new generation under an emergency state mandate

Management proposes a new process to study and interconnect new generation based on an emergency state mandate. This would enable the ISO to accomplish the emergency interconnections it did last year⁷ without having to petition FERC for a tariff waiver. Following an emergency proclamation and procurement by a state agency, the

⁵ The current deposit amount is \$100k for small generators (20 MW and below) and \$250k for large generators (greater than 20 MW).

⁶ To \$250k for small generators (20 MW and below) and \$500k for large generators (greater than 20 MW).

⁷ The Proclamation of a State of Emergency beginning June 16, 2021, due to an extreme heat event was signed by the governor on June 17, 2021. <https://www.gov.ca.gov/wp-content/uploads/2021/07/Emergency-Pro-7-30-21.pdf>

ISO will work with the applicable participating transmission owner, state agency, and generator to expedite the interconnection process. Because the ISO anticipates these studies and interconnections will be rapid, the ISO does not propose to include any study timelines in the tariff. To prevent any “queue-jumping” and ensure only viable projects can use this process, the ISO proposes that any request must meet the following criteria:

1. The ISO will accept emergency generation study requests only pursuant to:
 - (i) A specific emergency state mandate by the Governor of California, and
 - (ii) Only for interconnections and additions specifically designated by a state agency, not including counties, municipalities, or community choice aggregation electric providers.
2. The ISO also must agree the interconnection is warranted to potentially maintain reliability, and that the interconnection will mitigate reliability risks.
3. The interconnection customer will submit an emergency generation study request, a \$50,000 study deposit, and all necessary technical information to assess the new generation.
4. The interconnection cannot negatively impact the cost or timing of any queued project unless the impacted project belongs to the same developer and the developer consents to the impact.
5. The interconnection cannot require network upgrades above \$1 million or that cannot be constructed in fewer than six months.
6. The installed generation will have interconnection service for no more than three years. For interconnection service beyond that period, the developer must obtain service through another tariff process, such as a new interconnection request.
7. During the three-year period, the generation will be ineligible for any deliverability except interim deliverability.

4. Simplifying the downsizing process

Management proposes to transition from an annual month-long window for receiving downsizing requests to allowing downsizing requests at any time through the existing modification process. This will also reduce the deposit required from \$60,000 to \$10,000. If a project has one or more network upgrades, the project would generally need to be included in the annual reassessment to determine if the project’s network upgrades are still required along with any potential cost allocation adjustments. Impacts of projects with network upgrades whose impacts can be assessed without a study may be approved without having to participate in the annual reassessment study. Management believes the simplification of the downsizing process will enable interconnection customers to right-size their projects more easily and with less

administrative burden for all parties.

5. Enhancing the errors and omissions process

The GIDAP has a process for dealing with errors and omissions discovered after initial interconnection studies are published. The current rules allow interconnection customers additional time to repost interconnection financial security when warranted, but do not address substantial negative impacts late in the interconnection process. Although such errors and omissions are very rare, they can have a disparate impact on a project. Management proposes to enhance the error and omission process by allowing interconnection customers to receive all of its posted interconnection financial security and any unused portions of its study deposit if it receives a substantial error or omission.⁸ Management also proposes to expand the definition of a substantial error or omission to include instances where the error or omission results in the termination of a power purchase agreement. Management believes these enhancements will provide interconnection customers with more options and fair results for late study changes they did not cause.

6. Clarifying the definition of Reliability Network Upgrade

Management proposes to clarify that remedial action schemes or other upgrades needed for reliability are still considered reliability network upgrades even if they are initially identified in a deliverability study. This is an important clarification because the ISO caps reliability network upgrade cash refunds to ensure ratepayers only pay for those upgrades warranted by the capacity a new generator creates. There has been some confusion on the part of interconnection customers in the past because certain upgrades required for reliability first appear in deliverability studies; however, they are not delivery network upgrades. Reliability network upgrades are those upgrades that address thermal overloads and short-circuits. Interconnection customers cannot interconnect safely and reliably without them. The fact that some reliability network upgrades first appear in deliverability studies is simply a result of an iterative study process, but it does not change the nature of the upgrades.

7. Clarifying transfers from the participating transmission owner's wholesale distribution access tariff queue to the ISO queue

Participating transmission owner's wholesale distribution access tariff processes hold windows for accepting new interconnection requests at roughly the same time each year as the ISO. It is not uncommon for a small number of projects to submit an interconnection request to the wrong entity, reasonably thinking their requested point of interconnection is to the distribution grid instead of the ISO controlled grid. Sometimes these inadvertent errors are only discovered after the window when the ISO can accept new requests. As such, Management has developed tariff language allowing the ISO to accept interconnection request transfers from the participating transmission owner's wholesale distribution access tariff queue to the ISO queue when it is still possible to

⁸ Currently defined as a change of five percent of costs or \$1 million, or a delay of more than one year.

include them without slowing the queue.

8. Clarifying project site and point of interconnection changes while in queue

Currently the GIDAP does not provide specific rules for interconnection customers seeking to modify their site location for point of interconnection based on initial feedback provided in early scoping meetings. To ensure changes are allowed, but do not delay the start of interconnection studies, Management proposes interconnection customers must confirm their points of interconnection within five business days of the project's scoping meeting, and any change in point of interconnection will be limited to within the same transmission study area as the point of interconnection originally requested in its interconnection request. If an interconnection customer requests a change of its point of interconnection consistent with this criteria, it may change its site as well. This clarification will provide flexibility without affecting the ISO's ability to start and perform studies.

9. Allowing for interconnection customers to make modifications to their parked projects

When an interconnection customer does not receive the deliverability allocation it sought, it can "park" its project to re-seek deliverability the next year, convert to energy only, or withdraw. Management proposes to clarify the modifications that a parked project may request: downsizing, fuel-type, technology type,⁹ point of interconnection, and permissible technological advancements. To make these changes while parked, the interconnection customer must post its second interconnection financial security. This proposal provides interconnection customers with more flexibility to make necessary changes while parked without subjecting the ISO and transmission owners to unnecessary studies for a project that may make significant changes or withdraw based on the next deliverability allocation results.

10. Criteria for a deadline in the Appendix B validation process

The GIDAP Appendix B is a document that interconnection customers must submit to the ISO after the Phase I study results meeting. The Appendix B contains information on changes that an interconnection customer may make prior to beginning the phase II study process. The information must be validated by the ISO and any omissions or errors in the information corrected before the ISO can begin the phase II studies. Management proposes to add a deadline for the validation of Appendix Bs, such that they must be deemed valid by 70 calendar days after the date of the Phase I study. The ISO will iterate with each interconnection customer within this deadline to ensure interconnection customers provide Appendix Bs early and can cure any deficiencies. This process will ensure that the Phase II study is not delayed.

⁹ *E.g.*, wind to storage, solar to storage, solar to wind, etc.

11. Expanding deliverability transfer opportunities

Projects frequently transfer deliverability when adding storage or changing generating components at nearby sites. Management proposes to revise the tariff to allow transfers of deliverability between eligible projects at the same substation and voltage level, instead of the only allowing transfers between projects at the same exact point of interconnection. This will provide interconnection customers the maximum flexibility possible without affecting deliverability studies.

12. Clarifying requirements for interconnection requests proposing to utilize a third party owned gen-tie

Management proposes that any interconnection request that proposes to utilize third-party interconnection facilities must provide documentation as part of their interconnection request demonstrating that the owner will share available capacity. The interconnection customer would then demonstrate it has solidified these rights before the phase II study. The ISO has dealt with a number of projects that created uncertainty because the interconnection customer delayed obtaining permission from the interconnection facility owner. With the declining number of open positions for interconnecting new generators, the ISO expects these type of interconnection requests to increase. The interconnection facility requirement is analogous to the site exclusivity requirement: the ISO should not expend resources studying projects that may lack the fundamental rights to actually construct their proposed generators. Similar to that requirement, Management also proposes a transition period for cluster 14 projects already in queue.

12. Enhanced communication process post interconnection requests validation using the RIMS application

Historically, various documents have been shared with the participating transmission owner's and interconnection customers via email. Management proposes that deliverability allocation results, financial security posting requests, material modification assessment documentation (data files and results), repowering and limited operation study documents (request, study plan and study report), and other final communication among the parties will be provided in the resource interconnection management system. This will provide a central exchange for data, and will provide interconnection customers with increased transparency to see results and make decisions while in queue.

POSITIONS OF THE PARTIES

The ISO initiated the IPE 2021 initiative with a preliminary issue paper on September 30, 2021, followed by a stakeholder meeting where stakeholders were invited to present topics and issues for consideration in the initiative. Through stakeholder input the topics addressed in phase 1 were reduced to those that had sufficient stakeholder support. In total, five papers were posted, each with an associated stakeholder meeting and

comment process. The IPE 2021 Phase 1 Final Proposal and the IPE 2021 Phase 1 tariff revisions were posted on April 21, 2022, follow up with a stakeholder conference call on April 28, 2022.

Section 1 Enhancements

1. Modifications to the transmission plan deliverability allocation process

- Stakeholders voiced broad support for allocations groups A, B, and C

Based on stakeholder comments, the following adjustments were made to the final proposal.

- Allocation group D was adjusted to allow projects to convert to energy only after their eligibility for group D ends instead of being required to withdraw.
- The power purchase agreement requirements were adjusted to reduce the term of the power purchase agreement from 5 to 3 years, and to eliminate the lower ranking of power purchase agreements with large customers who resale the resource adequacy attributes to an entity with resource adequacy obligation.

2. New process allowing for the interconnection of new generation under an emergency state mandate

- 6 stakeholders fully support proposal as is
- 4 stakeholders support the proposal but had lingering concerns or requested further clarification that were addressed in the final proposal
- 1 stakeholder opposed the proposal suggesting it could be misused

In response to the comments Management has made further clarifications in the final proposal to address stakeholder concerns.

3. Requiring projects to demonstrate site exclusivity earlier in the process

- 10 stakeholders fully support the proposal
- 3 stakeholders suggest more stringent requirements
- 3 stakeholders suggest less stringent requirements

Based in the comments, Management believes that the proposal has struck the right balance.

Section 2 Enhancements

Enhancements 4 – 13 received broad stakeholder support.

CONCLUSION

Management recommends that the ISO Board of Governors approve the thirteen enhancements proposed in this memorandum. These enhancements are generally supported by stakeholders and were refined to address many of their comments throughout the stakeholder process. The proposed modifications improve the effectiveness of allocating deliverability to projects and expand customer options. These modifications also help move resources through the queue, manage the queue, and modify the Generator Interconnection and Deliverability Allocation Procedures to be more adept at dealing with the current significant generation expansion requirements. The proposed enhancements will better accommodate interconnecting significant amounts of new generation expeditiously to meet near-term reliability challenges. Finally, the proposed modifications will continue to improve the ISO's generator interconnection procedures to help California and the West have robust capacity and meet their public policy goals.

Management looks forward to bringing the IPE phase II initiatives to the ISO Board of Governors in October, 2022.