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Middle Rivwer Power LLC Comments on May 4, 2023 Clean Energy Interconnection - Buk Grid Workshop

Additional submitted attachment is included below.



May 23, 2023

California Energy Commission
Docket Unit, MS-4
Docket No. 23-IEPR-04
1516 Ninth Street
Sacramento, California 95814-5512

Via electronic submittal

Re: Middle River Power LLC Comments on May 4, 2023 Commissioner Workshop on the Clean Energy Interconnection – Bulk Grid, Docket No. 23-IEPR-04

Dear Docket Unit, Commissioners and Commission Staff:

Middle River Power LLC (“MRP”) is pleased to submit these comments on the May 4, 2023 Commissioner Workshop on the Clean Energy Interconnection – Bulk Grid (“Workshop”).

Introduction

MRP owns approximately 2 GW of natural gas-fired generation operating within the bulk power system under the operational control of the California Independent System Operator Corporation (“CAISO”). MRP has developed two battery energy storage systems (“BESS”) totaling 110 MW and a 100 MW solar photovoltaic system at or connecting into the same interconnection facilities at generating plants owned or operated by MRP.

Most recently, MRP is developing additional BESS projects that will help facilitate California’s clean energy transition. *First*, MRP is developing standalone BESS, which will help ease California capacity shortfalls, at its existing generations sites. MRP anticipates these BESS will be charged from the grid during peak solar production hours. *Second*, MRP is also adding short-duration BESS to existing natural gas peaking turbine sites, which will greatly reduce emissions at those sites (by satisfying short-duration dispatches by discharging the BESS, which will be charged from the grid during peak solar production hours, instead of operating the peaking turbines) while still preserving the unlimited-duration natural gas-fired capacity that multiple analyses have shown remains needed to maintain reliability as the resource mix evolves to include more energy- and duration-limited resources.

Comments

While interconnecting new generation to the bulk electric system is a function that falls exclusively under the CAISO’s jurisdiction, MRP appreciates the multi-agency attention to and discussion of this critical topic at the Workshop. Bulk grid resource interconnection is a function that should be closely coordinated with other processes, such as those conducted to identify and procure the resources needed to meet state policy goals.

MRP agrees with observations offered during the Workshop that the CAISO's existing interconnection process cannot facilitate the resource buildout that will be required to meet California's ambitious near-term and mid-term greenhouse gas reduction goals. The CAISO's existing interconnection process neither provides sufficient timely information to point resource developers to areas in which interconnection capacity and deliverability are available, nor does it include sufficient screening thresholds, such as fees or requirements for site control, to discourage developers from submitting speculative projects. The result – a paralyzingly overburdened interconnection queue – is unsurprising. Further, the CAISO and its Participating Transmission Owners (“PTOs”) do not have enough staff to efficiently and effectively study and interconnect new generating resources through the existing interconnection process. As Workshop presenters noted, the CAISO is not alone in suffering through the problem of an interconnection process no longer up to the transformational tasks required of it – PJM is currently also going through a fundamental re-examination and re-design of its interconnection process. Further, as CAISO presenters noted, the CAISO has already launched a stakeholder process to fundamentally redesign its interconnection process. At the same time, the California Public Utilities Commission is both contemplating a fundamental redesign of its long-term resource need assessment and procurement process in the Integrated Resource Planning rulemaking and working to implement a fundamental redesign of its Resource Adequacy process – a process whose inadequacies were exposed by (1) firm load shedding in August 2020 and (2) narrowly surviving record peak demands in September 2022 through an unexpected volume of non-RA market imports and an emergency public appeal for load reduction.

MRP looks forward to participating in the CAISO's Interconnection Process Enhancements 2023 Phase 2 initiative to rework the CAISO's interconnection process. The CAISO has suggested that such a rework could involve accepting interconnection requests only from resources located in areas in which existing transmission capacity already exists or is planned to exist. MRP remains somewhat skeptical of such an approach, which would be a significant departure from the current process. Before the CAISO elects to “throw out the baby with the bathwater” with a radical new redesign, MRP respectfully urges the CAISO to implement incremental reforms – such as higher interconnection study fees, stricter site control, and for the CAISO and PTOs to staff up to better support their interconnection processes (which could be financed through higher interconnection study fees). While the CAISO interconnection process requires reform, it's not apparent that it requires a radical redesign.

MRP also respectfully urges the state energy agencies to consider all the reforms noted above – to the interconnection process, to the transmission planning process, to the IRP process, and to the RA program – in an integrated way that recognizes the critical need for a reliable and affordable electric sector to achieve the state's policy goals, and does so not in a single economic sector silo but as part of an economy-wide, least-cost decarbonization strategy.

MRP appreciates the opportunity to submit these comments.

A handwritten signature in blue ink, appearing to read "Brian Theaker". The signature is stylized and includes a long horizontal stroke extending to the right.

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