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on Clean Energy Interconnection - Bulk Grid**

Additional submitted attachment is included below.

**STATE OF CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

IN THE MATTER OF:

*ACCELERATING BULK GRID
INTERCONNECTION*

DOCKET NO. 23-IEPR-04

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS
ON THE MAY 4, 2023 WORKSHOP ON CLEAN ENERGY
INTERCONNECTION – BULK GRID**

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TABLE OF CONTENTS

I. INTRODUCTION1

II. ACCELERATING THE PACE OF NEW RESOURCE
INTERCONNECTION REQUIRES THE IDENTIFICATION OF ROOT
CAUSES CREATING DELAYS3

III. INCREASED TRANSPARENCY CAN IMPROVE PROJECT
COMPLETION RATES4

IV. THE COMMISSION AND THE CAISO SHOULD DEVELOP VIABILITY
CRITERIA THAT CAN HELP PRIORITIZE PROJECTS TO STUDY IN
THE INTERCONNECTION STUDY PROCESS6

V. CONCLUSION.....7

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INTERCONNECTION – BULK GRID INTERCONNECTION**

The California Community Choice Association¹ (CalCCA) submits these Comments pursuant to the *Notice of Commissioner Workshop on Clean Energy Interconnection – Bulk Grid (Updated)*², dated April 26, 2023.

I. INTRODUCTION

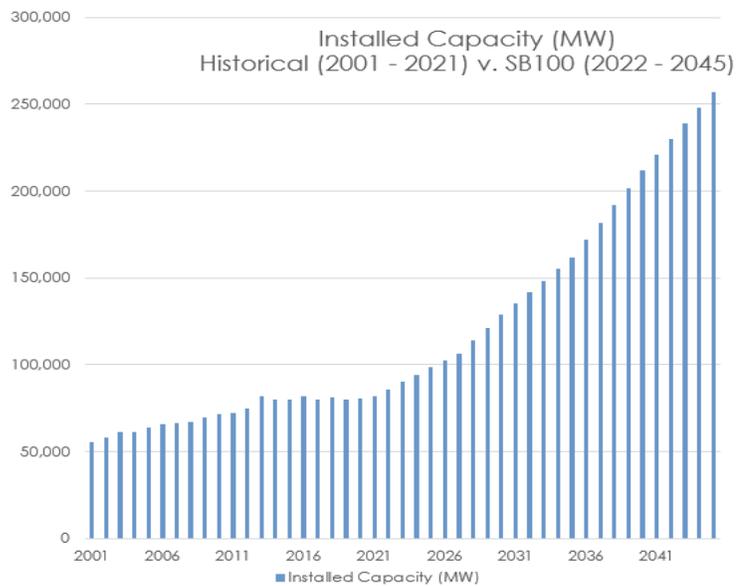
CalCCA appreciates the opportunity to comment on the Commissioner Workshop on Clean Energy Interconnection – Bulk Grid (the “Workshop”). This important discussion reveals that while the entire industry is moving as quickly as possible to get new clean resources online, processes in place need to evolve to accommodate the unprecedented pace of procurement that will continue as the state progresses toward Senate Bill (SB) 100 goals.

¹ California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Energy For Palmdale’s Independent Choice, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² *Notice of Commissioner Workshop on Clean Energy Interconnection – Bulk Grid (Updated)*, 23-IEPR-04 (Apr. 26, 2023): <https://efiling.energy.ca.gov/GetDocument.aspx?tn=249877>.

Load-serving entities (LSEs) have procured new resources at record paces in the last several years and will continue to do so. The California Public Utilities Commission (CPUC) ordered procurement in years 2021-2028 through Decisions (D.) 19-11-016, D.21-06-035, and D.23-02-040. These procurement orders total 18,800 megawatts (MW) of net qualifying capacity (NQC), or roughly 35 percent of the existing NQC on the system. From 2027 to 2045, the SB 100 Core Scenario indicates the state will need to build roughly 175,000 MW of installed capacity.³ Figure 1 below shows the historical installed capacity since 2001⁴ and future procurement that will be needed to meet the 175,000 MW from the SB 100 Core Scenario, assuming future procurement occurs in a straight line. From 2001 through 2021, the state has built net new capacity (i.e., new resources less retirement of existing resources) at a rate of 1,308 MW per year. Under the SB 100 Core Scenario, the rate will need to increase to 7,292 MW per year from 2022 through 2045 (a 557 percent increase).

Figure 1



³ 2021 SB 100 Joint Agency Report, *Charting a path to a 100% Clean Energy Future*, 19-SB-100 (Mar. 15, 2021, updated Sept. 03, 2021), at 10: <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

⁴ <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/electric-generation-capacity-and-energy>.

Just as LSEs are moving as quickly as possible to contract with new projects, the California Independent System Operator (CAISO) is moving as quickly as possible to get these projects through the queue. The existing queue study process requires reform, however, as it is not designed to accommodate the unprecedented number of requests in Cluster 14 (359 requests) and Cluster 15 (541 requests). The volume of requests experienced in Cluster 14 and Cluster 15 should be considered indicative of what the state will continue to experience in future clusters given the need to continue to develop new resources at a rapid pace through 2045 to meet California’s ambitious climate goals.

The Workshop provided valuable information from the California Energy Commission (Commission), CPUC, CAISO, developers, and other stakeholders on the challenges facing the interconnection process at this time. Considering this information, CalCCA provides the following recommendations:

- Accelerating the pace of new resource interconnection requires the identification of root causes creating delays;
- Increased transparency can improve project completion rates; and
- The Commission and the CAISO should develop viability criteria that can help prioritize projects to study in the interconnection study process.

II. ACCELERATING THE PACE OF NEW RESOURCE INTERCONNECTION REQUIRES THE IDENTIFICATION OF ROOT CAUSES CREATING DELAYS

This Workshop illuminated a number of challenges with the interconnection process, including but not limited to:

1. Studying the high volume of projects experienced in Cluster 14 and Cluster 15 is inefficient and leads to delays;⁵

⁵ CAISO Interconnection Processes and Ongoing Improvements Presentation (CAISO Presentation) at 4 and SCE Interconnection Processes – Bulk Electric Grid Presentation (SCE Presentation) at 3.

2. A large majority of projects in the interconnection queue withdraw - Only 13 percent of projects applying for interconnection in California prior to 2018 have gotten built;⁶
3. Projects are taking longer to complete interconnection studies nationwide – from 2 years in 2005 to 5 years in 2022;⁷ and
4. Typical duration from an interconnection agreement to commercial operations date (COD) has increased dramatically in CAISO, significantly more than in any other area.⁸

The Commission should start by identifying the root causes of each of these issues to identify targeted solutions that focus on the element of the process driving the backlog. For example, it appears that one area with room for significant improvement is number 4 above. In California, the median duration of time between an interconnection agreement and COD was roughly 70 months in 2022. In other regions, the median duration was roughly 20 months.⁹ It is unclear the source of this difference between California and other regions. Identifying the source of these differences could help focus interconnection process improvements on elements of California’s process that are most inefficient.

III. INCREASED TRANSPARENCY CAN IMPROVE PROJECT COMPLETION RATES

A root cause of number 2 in section II above (high withdrawal rates) could be the uncertainty and costs associated with obtaining deliverability. When interconnection customers submit interconnection requests, they do not know for certain whether or not their project will receive a deliverability allocation, which is needed for a project to qualify for resource adequacy (RA). If the project does not receive a deliverability allocation, the interconnection customer will

⁶ LBNL Improving Bulk Grid Interconnection, Expansion, and Utilization Presentation (LBNL Presentation) at 4.

⁷ LBNL Presentation at 5.

⁸ LBNL Presentation at 6: “The typical solar project built in CAISO since 2018 took 4 years to reach commercial operations after securing an interconnection agreement; those build in 2022 averaged over six years.”

⁹ *Id.*

need to fund network upgrades to obtain deliverability. These upgrades can be costly and time-consuming. Southern California Edison Company (SCE) indicated in its presentation that upgrade costs and duration are frequent causes of project withdrawal.¹⁰ Uncertainty around whether a project would obtain deliverability without the need for upgrades could result in developers submitting more requests than they anticipate following through with in order to increase their chances that some of their requests do not require upgrades. Once the deliverability status is known, projects that receive a deliverability allocation could advance while those that need upgrades withdraw.

Increased transparency around where transmission capacity exists without the need for upgrades is one way to remedy this uncertainty. In the 2022-2023 Transmission Plan, the CAISO published “transmission planning zones” to provide clearer direction to developers and LSEs on where new transmission will be built and the amount of new capacity that will become available in each zone. The CAISO is contemplating only studying interconnection requests that align with these zones.¹¹ These requirements must be coupled with (1) regular reporting on where existing transmission capacity exists on the system and (2) existing projects in the queue that would not require network upgrades to interconnect. This information will help developers narrow down their interconnection requests to where they are most likely to receive deliverability allocations and inform LSE procurement. The CAISO has provided this information periodically¹² and should do so regularly so developers and LSEs have up-to-date information on prospective projects that have the best chance of interconnecting and obtaining deliverability without major upgrades.

¹⁰ SCE Presentation at 4.

¹¹ See Interconnection Process Enhancements 2023 Issue Paper and Straw Proposal: <http://www.aiso.com/InitiativeDocuments/Issue=Paper-and-Straw-Proposal-Interconnecton-Process-Enhancements-2023-Mar132023.pdf>.

¹² See: <http://www.aiso.com/Documents/Briefing-ResourcesAvailable-NearTermInterconnection.pdf>.

IV. THE COMMISSION AND THE CAISO SHOULD DEVELOP VIABILITY CRITERIA THAT CAN HELP PRIORITIZE PROJECTS TO STUDY IN THE INTERCONNECTION STUDY PROCESS

The interconnection queue currently has 180 GW of capacity in it. Cluster 15 will have 354 GW in it.¹³ If all the projects in Cluster 15 came to fruition, the state would be on track to far exceed its SB 100 goals, but past experience reveals that a vast majority of projects in the queue will not come to fruition. Only 13 percent of projects studied in the interconnection study process reach commercial operation.¹⁴ The Workshop revealed that studying an overheated queue with high withdrawal rates results in less meaningful studies that can be delayed due to the need to restudy with the new mix of projects. The state's overheated queue necessitates a prioritization of projects most likely to succeed in completing the entire interconnection study process and ultimately reaching COD. The Commission and the CAISO should work together to develop uniform viability criteria that balance the following objectives:

- Limits the study of projects to those that demonstrate the completion of certain milestones that point to the project moving along the process and eventually reaching COD;
- Avoids overly restrictive criteria that limit open access to the queue and add unnecessary barriers to progressing through the study process; and
- Aligns with LSE procurement practices and avoids adding undue risk to LSE procurement decisions.

It is clear that project viability criteria are necessary to navigate an overheated queue. Additional discussion is required, however, to determine which criteria best meet the above objectives. The Commission, CAISO, and stakeholders should work together to define these criteria.

¹³ CAISO Presentation at 4.

¹⁴ LBNL Presentation at 4.

V. CONCLUSION

CalCCA thanks the Commission for hosting the Commissioner Workshop on Clean Energy Interconnection – Bulk Grid. Accelerating the interconnection of clean energy resources will play a critical role in achieving the state’s ambitious climate goals. CalCCA looks forward to further partnering with the Commission, CAISO, CPUC, and stakeholders to identify root causes of interconnection delays and develop solutions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Evelyn Kahl". The signature is written in a cursive, flowing style.

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CALIFORNIA COMMUNITY CHOICE
ASSOCIATION

May 23, 2023