

DOCKETED

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AES Interconnection Intake Proposal

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Proposal Overview

- AES's proposal aims to increase transparency, certainty, and coordination amongst state planning agencies.
- AES's proposal focuses on addressing the interconnection intake problem statement.
- AES's proposal contains two elements:
 1. Annual Interconnection Overview Report
 2. Scoring Point System to Determine Project Eligibility for Interconnection Priority Zones

Annual Interconnection Overview Report

- CAISO will publish an Annual Interconnection Overview Report (Annual Report) in connection with the Transmission Planning Process (TPP) providing information regarding:
 1. State of interconnection
 2. Pricing transparency
 3. Rubric of preferred resources based on state planning
- The Annual Report will provide necessary upfront information for developers to make informed decisions. Developers can make upfront investments in projects prior to entering the scoring system. The Annual Report will drive certainty throughout the interconnection process.

Annual Interconnection Overview Report Cont.

Information

- Information on existing and planned deliverable capacity in each TPP zone
- Map and status of current queue in each TPP zone
- Line diagram identifying substations in each TPP zone
- Identified constraints for each substation
- The MW ability for each substation to be expanded

Actionable Items

- Transparent price range per MW for interconnection in each TPP zone with a price cap
- Rubric of preferred resources based on CPUC's IRP process and Local Regulatory Authority planning

Scoring Criteria: Point System

- CAISO will apply a Point System to determine projects that can be eligible for the interconnection priority zones (IPZs), which are based on the TPP zones.
- The scoring process will commence at minimum, 6 months, after the publication of the AIOR.
- To select priority projects for inclusion in priority interconnection studies in each IPZ:
 1. CAISO would list projects from highest points to lowest points.
 2. CAISO would select the top projects until 1.5x of the available/planned transmission capacity in each IPZ is met. The list of projects will be public with their awarded scores and identifies selected projects.
 3. Projects that aren't selected can (1) proceed as an Option B project, (2) proceed as energy only, or (3) reapply during the next cluster cycle.
- Projects outside the IPZs are subject to the same criterion. They will need to provide supplemental information to identify the project's feasibility, grid benefits, available or planned deliverability, and load targeted outside of the IPZ. They can be studied with IPZ projects or separately.

Scoring Criteria Example:

→The criteria is only acceptable with the publication of the Annual Interconnection Overview Report that provides **transparent pricing certainty** to developers.

→AES proposes a minimum point value to be considered in any study to ensure a similar quality of projects in each study cycle. Tentatively propose a 130 points minimum.

Level of Site Control (Max 100 Points)

- Developers would get a percentage score of what level of site control has been obtained for the project.
- Tariff would need to clarify the standard for acreage requirement for each fuel type.
- **Calculation:** Total acreage under lease option ÷ Total acreage of project through POI
- Could also consider different weights for generation facility and gen tie line site control

Commercial Readiness (Max 100 Points)

- Executed PPA for LSEs and non-LSEs, ranked based on contract length (100 Points)
- Executed Term Sheet (75 Points)
- Shortlisted for Resource Plan or RFP (50 Points)
- Deposit in Lieu of \$5,000 - \$6,000/MW (30 Points)

Long Lead Time Equipment (Max 75 Points)

- Site specific purchase order (75 Points)
- Deposit in Lieu (30 Points)

Permits (Max 30 Points)

- Applications for appropriate land, water, and air permits (30 Points)
- Deposit in Lieu (15 Points)

Engineering Design (Max 30 Points)

- 5% Engineering Design (5 Points)
- 10% Engineering Design (10 Points)
- 30% Engineering Design (30 Points)
- Deposit in Lieu (5 Points)

Energy Communities (Max 20 Points)

- Yes (20 Points)
- No (0 Points)

Resource Diversity

- Additional points could be added for resources that achieve specific resource diversity goals of the state or meet other criteria from AIOR's rubric

Thank you

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