



Meeting: **Reservoir Committee/Authority Board  
Agenda Item 3.1**

**March 22, 2024**

Subject: **California Independent System Operator Interconnection (CAISO)  
Update**

---

**Requested Action:**

Receive an update on the California Independent System Operator interconnection application.

**Detailed Description/Background:**

The Sites Reservoir Project (Project) will require power for day-to-day operations and will generate incidental power upon releases of water from the reservoir. By interconnecting with CAISO directly, the Project will have the ability to engage in the wholesale market, which has the potential to be more cost effective than going through PG&E. Based on the Board's direction, the Project submitted an interconnection application to CAISO, within their Cluster 15 application window, on April 4, 2023. The CAISO accepted and deemed the Project interconnection application complete on April 11, 2023.

This report is meant to update the Board on progress being made on this important element of the Project. CAISO is not currently on the Project schedule critical path, however delays related to CAISO pausing Cluster 15 activities have eroded float within the Project schedule. Staff is tracking this item closely and will bring back any updates that may have consequential impacts to the schedule.

Due to large increases in interconnection requests, the CAISO paused initiating Cluster 15 project studies to reassess and optimize its evaluation process. On June 7, 2023, the CAISO initiated stakeholder outreach for input on plans for implementing its proposed 2023 Interconnection Process Enhancements (IPE) initiative, which considers changes to the generator interconnection and deliverability allocation procedures. This includes potentially implementing scoring criteria to screen projects based on the ability to fulfill system needs and ensuring commercial interest viability. The proposed scoring metrics within the initial draft 2023 IPE would likely put the Project at a disadvantage to be considered for advancing within CAISO Cluster 15 studies when compared to other traditional power generation projects such as solar and wind developers.

Staff has been monitoring development of the 2023 IPE and engaging CAISO managers to ensure the final version does not unfairly penalize important

projects such as Sites Reservoir. Conversations have been collaborative with CAISO acknowledging that the final 2023 IPE need to consider projects that may not require meeting metrics related to power generator commercial interest or economic viability. A second draft of the 2023 IPE is anticipated to be available for review by the end of this month, March 2024. Staff continues to advocate for expeditious execution of studies under CAISO Cluster 15 to ensure power facilities will be in place to meet Project needs. Concurrently, staff from CAISO, PG&E, and Sites are investigating strategies that could potentially speed up facility developments such as prioritizing load (power for pumping and operations) studies before completing deliverable (power generation) assessments or securing parallel studies for load (potentially performed by PG&E) and deliverable (potentially performed by CAISO). These discussions are preliminary in nature and are anticipated to be more thoroughly vetted within the next 6-months. This bifurcation potentially risks the generation portion getting delayed which impacts operating costs. Staff will raise these concerns as these discussions continue.

The assumptions and considerations related to the above CAISO Interconnection updates were presented and discussed with the Reservoir Operations & Engineering Workgroup on March 13, 2024.

**Prior Action:**

March 2023 - Authorized submittal of the California Independent System Operator interconnection application and paid an initial deposit fee of \$650,000, of which up to \$500,000 is refundable.

**Fiscal Impact/Funding Source:**

There is currently no fiscal impacts associated with this update.

**Staff Contact:**

JP Robinette/Henry Luu

**Primary Service Provider:**

HDR, Jacobs, and zGlobal

**Attachments:**

None.