



June 2, 2023

Clearway Energy Group Comments on BPA's May 25 TC-25 Workshop

Clearway Energy Group ("Clearway") appreciates the opportunity to provide comments on BPA's queue reform effort. Clearway appreciates that BPA is proactively taking steps to improve the efficiency of the interconnection queue process to support decarbonization goals and better serve its customers.

Clearway supports the overall initiative with specific comments on the following aspects of the proposal:

Site Control

- Clearway would support the BPA staff proposal to require 100% site control at Phase 1 only if there is also an option to provide a deposit in lieu of site control at Phase 1. Clearway supports requiring 100% site control at the Phase 2 stage.
- In the event that BPA requires site control at Phase 1 without allowing an in-lieu deposit, then Clearway recommends that the Phase 1 requirement be set at 50% site control, following the model used by the CAISO and Public Service Company of Colorado (PSCO), among others.
- Acreage per MW: Clearway shares the same view as BPA staff that these numbers should not be written into tariff language, but should instead be part of BPA's Business Practices to allow for easier updates. Future technology changes and design efficiencies will enable projects to accommodate the same MW in less acreage, and all parties' interests are served in making these numbers easy to update. Additionally, such numbers must be advisory rather than strict requirements. If a customer can show documentation that given MWs in fact can be accommodated in lesser acreage, this documentation should satisfy the requirement.

Commercial Readiness:

- Clearway notes that the commercial readiness requirements for the transition cluster are more stringent than the requirements that will apply to the cluster post-transition – that is, projects in the transition cluster will be required to demonstrate commercial readiness at a significantly earlier stage than projects in the subsequent cluster. This puts an unreasonable burden on customers that have already entered the queue and are experiencing delays in the interconnection process.

- Clearway recommends matching commercial readiness for the transition cluster to the requirements that BPA staff is proposing for subsequent clusters, including the option for an in-lieu deposit.
- Clearway also encourages BPA to consider allowing a Transmission Service Agreement (TSA) to serve as a demonstration of commercial readiness, since a project that has an executed TSA has made a significant investment in future development that is comparable to the other readiness milestones proposed by BPA. This would require the timing for the TSEP process with the interconnection process, so that TSAs would be offered before the commercial readiness demonstration is required.
- Clearway supports the proposal to require a commitment of 20% of network upgrade cost at the time of the facility study; a surety bond or parent guarantee from a creditworthy entity should also be allowed as options for this financial commitment.

Scalable plans

- In general, Clearway supports the concept of scalable plans, although more work is needed to clarify this proposal. It would be helpful for stakeholders to see detailed language, along with an example, to describe how BPA will implement the scalable block plan.
- However, BPA should find an alternative to the time-stamp approach proposed to assign priority in a tie-breaker situation.
 - A customer with a time stamp of a few hours later than another customer is no less 'ready' in the development process for a large-scale project with a multi-year development timeline, and it would not be reasonable for this customer to be assigned a block of upgrades with a later in-service date or higher cost. Given that the cluster window 'validation and cure' period would be open for only 45 days per BPA's proposal, it is unlikely that there would be any meaningful differences in projects' readiness between the first and last day of the window.
 - The proposal is not clear on whether the time stamp would be based on when a project first submits documentation meeting the readiness requirement, or when all deficiencies have been cured. If the time stamp is based on initial submittal, this would lead to a race by interconnection customers to submit documentation during the first minutes or hours of the cluster open window.
 - If the time stamp is based on an application being deemed complete with any deficiencies cured, this would impose a burden on BPA staff to communicate deficiencies to customers at the exact same time and with the same level of clarity. This would lead to less transparency and can raise questions about validity of such time stamps.
- Rather than a time stamp, Clearway encourages BPA staff to consider prioritization based on degrees of project readiness. For example, the ranking system used by the CAISO in its annual Transmission Plan Deliverability (TPD) allocation process assigns projects to one of four groups based on progress toward readiness milestones, and deliverability is allocated to the most "ready" projects first.

Interest on deposits:

- Clearway opposes the proposal to stop paying interest on study deposits. This queue reform appears to be heading toward requiring much larger deposits than are required from interconnection customers today. Clearway echoes the concerns and suggestions raised by NIPPC and Renewable Northwest in their comments. It would be reasonable – and would not create costs for any other BPA customers – for study deposits to be placed in an interest-bearing account and paid back with interest.

Study Deposit:

- The study deposit should be sized to cover actual study activity costs. This has little correlation to the MW size of the project: A 50 MW and a 500 MW generator request will require BPA to do the same amount of study work. Clearway recommends increasing the study deposit to \$150k or \$250k upfront, modeled on the CAISO study deposits. A one-time sizeable deposit would provide more certainty of projected expenses during the study process and will also reduce burden on BPA and customer's accounting team.

Study Cost

- Clearway recommends allocating 100% of the cluster study costs by the number of customers participating in the cluster study. The MW size of the project should not be used to determine study cost, as it has little correlation to the study work and therefore cost responsibility.

Network Upgrade Cost

- The cost of station equipment network upgrades should be allocated equally based on the number of Generating Facilities interconnecting at an individual station. Transmission and distribution network upgrade costs should be assigned based on MW impact and Transfer Distribution Factors (TDF/DFax), following the logic of cost causation.

General Comments:

- Implementing a site control requirement for the transition cluster will create a challenge for projects in the queue that have some site control but not the full 50% or 100% that is required. Clearway suggests offering a downsizing opportunity for projects entering the transitional cluster, allowing a customer to downsize the project MWs to match the reduced area. This possibility was mentioned during the most recent stakeholder meeting but has not yet appeared in a written proposal.
- In a case where multiple projects are connecting to the same transmission line as a Point of Interconnection (POI), BPA should clarify the exact location on the transmission line that will be considered as the final POI for study purposes. Clearway recommends that this information be made available during the Customer Engagement window and not at the end of the Phase 1 cluster study. The time in between would allow customers to better plan for their gen-tie route and land permits.