



PUBLIC UTILITIES COMMISSION

STATE OF CALIFORNIA

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March 11, 2022

Caroline Winn
Chief Executive Officer
San Diego Gas & Electric
8326 Century Park
San Diego, CA 92123
cwinn@sdge.com

Subject: Prioritization of Interconnection to Ensure Grid Reliability

Dear Ms. Winn,

Given the urgency of the climate crisis and California's efforts to both maintain reliability and transition its energy sector to zero-carbon resources, I am writing to request that SDG&E prioritize actions to enable critical electricity generation projects to interconnect to the transmission or distribution grid.

In the past 18 months, more than 100 new clean energy powerplants have come online to serve load in California. These powerplants are entirely carbon-free and provide a nameplate capacity of over 6,000 megawatts (MW), equivalent to approximately 3,000 MW of net qualifying capacity (NQC), including over 2,000 MW NQC of new energy storage. The successful interconnection of these resources has been essential to the ongoing transition of the electricity grid. In addition to reducing reliance on fossil fuels, these resources, together with new demand-side actions by individuals and businesses, and actions related to energy market reforms, have helped to increase energy reliability in the face of climate-change induced extreme conditions, such as heat waves, drought, and wildfires. I want to thank you and your team's efforts in this important work.

California's recent experience with new resources coming online brings our ability to maintain grid reliability while meeting our climate goals into sharp focus. To reach the goal of 100 percent clean energy by 2045, we will continue to depend on the interconnection of dozens of new clean energy resources each year.

As you are aware, CPUC-jurisdictional load-serving entities (LSEs), including SDG&E and other investor-owned utilities, community choice aggregators and energy service providers are entering into contracts for new resources at an unprecedented rate to comply with recent CPUC procurement orders to meet reliability needs. Based on recent data reported by LSEs to the CPUC's Energy Division, we believe there are contracts in place for approximately 200 new clean energy powerplants, with a combined future capacity of over 5,000 MW NQC that could be online and serving load by the end of 2023. These contracted resources all need to interconnect to the utility-operated distribution or transmission grids.

Against that backdrop, I am writing to ask SDG&E to expand its focus on efficient and safe interconnection of new wholesale generation and storage resources now and into the coming years.

The CPUC has taken numerous actions to ensure safe and reliable electric service, especially in the face of extreme heat events experienced in 2020 and 2021. Consistent with CPUC actions and Governor Newsom's July 30, 2021 [Emergency Proclamation](#) urging all state energy agencies to ensure there is adequate electricity to meet demand, **I request that SDG&E take the following actions and report back to the Commission by May 16, 2022, including details of how these requests have been met.**

1. Focus on ensuring SDG&E has sufficient resources, including increasing staffing as necessary, to support the interconnection of new projects that are critical to grid reliability in Summer 2022 and 2023.

I request that SDG&E take action to ensure interconnection staffing is prioritized and new resources are dedicated as needed to meet the increasing number of interconnect projects in the near term. These interconnection processes are critical to both safety and reliability, and they are highly technical and specialized.

In addition, it is imperative that SDG&E identify process improvements to ensure safe and efficient interconnections, and to ensure that project developers (and the LSEs depending on the projects) receive timely and reliable interconnection assistance. Navigating complex interconnection processes at the utilities is a frequently cited issue for new generators. Time is of the essence.

I am concerned that, absent an effort to direct serious attention and sufficient resources to meet the growing pace of interconnections, delays will derail critical projects, threaten grid reliability, and impede California's clean energy progress.

Attached is a list of known wholesale generator interconnection projects in your utility service territory expected to be online by the end of 2023. While this list is subject to change, CPUC staff believes it includes a significant portion of the projects that are

critical for electrical grid reliability for the summers of 2022 and 2023 (based on the projects' target commercial operation dates). I ask that SDG&E commit resources to prioritize bringing these critical projects online in a timely manner, with appropriate prioritization, removing any utility-based resource barriers to interconnection.

Your May 16, 2022 report should outline SDG&E actions to support new resource interconnections in the near term and provide status updates on the attached list and any other relevant projects. The status update should identify any projects that SDG&E believes will fail to achieve initial commercial operation by the end of 2023 and detail SDG&E's efforts to ensure that projects seeking interconnection to serve grid reliability in 2022 and 2023 will receive SDG&E's best efforts to support their interconnection.

2. Take action to identify the necessary interconnection resources and process improvements to facilitate the ongoing interconnection required to support the CPUC's recent procurement orders of 14,800 MW NQC of new resources by 2026.

In parallel with committing resources to ensure that your processes and staffing plans support near term interconnection requests, we ask SDG&E to undertake a rigorous resource planning exercise that considers existing requests and anticipated interconnection needs through the end of 2026.

At a minimum, this planning exercise should address SDG&E's staff retention efforts to maintain interconnection expertise over the long-term, including by expanding staff or contracted resources, and its ability to absorb attrition and when key individuals are out of office.

3. Identify an ombudsperson(s) for CPUC's Energy Division to coordinate with on any interconnection issues or projects.

Additionally, I request that SDG&E identify an ombudsperson for direct communication with Energy Division staff and management. The ombudsperson should have director-level status and visibility to ensure efficient communication within SDG&E's interconnection team and across associated business lines.

4. Identify regulatory requests, if any, to CPUC or the Federal Energy Regulatory Commission (FERC) that require resolution to support SDG&E's activities related to wholesale generator interconnections.

I request that SDG&E identify any needed CPUC or FERC regulatory approvals for interconnections through 2026. Please include this list in the May 16 report.

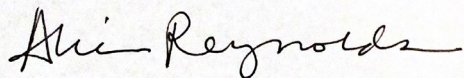
Finally, I request that SDG&E continue its helpful participation in the quarterly Transmission Development Forums, the first of which was on January 21, 2022, held by

the CAISO in coordination with the CPUC's Energy Division. These forums provide developers, LSEs, and other interested parties with up-to-date information about the expected online dates for transmission network upgrades that serve as dependencies for various generators. Only with accurate information about the timing of transmission network upgrades can developers and LSEs maintain visibility into the long lead time interconnection development process and have awareness of issues that may impact the expected commercial operation of projects. It is important to provide developers and LSEs with updates on a regular, quarterly cadence.

Building upon our collective success with interconnecting a record-setting number of clean resources since 2020, I am calling on SDG&E to redouble its efforts to support grid reliability in summers 2022 and 2023 and beyond within its unique role as a transmission owner. I also understand that SDG&E will need to consider this high volume of interconnections in the context of the work of ongoing utility operations, including critical wildfire safety investments.

I look forward to the May 16 report on your continued efforts.

Sincerely,



Alice Busching Reynolds
President
California Public Utilities Commission

CC:

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Attachment A

List of Projects in SDG&E Interconnection (By CAISO Queue # or WDAT Identifier)

Projects in SDG&E's Interconnection Queue (2022-2023)

Note: The data listed below reflect a snapshot of LSE-submitted data on projects and developments for current procurement efforts, with a focus on projects expected to reach commercial operation by the end of 2023. The list below may also include projects that will come online in early 2024. Project ordering does not connote priority in development. The data excludes projects that have recently reached commercial operation. Because this list is based on data provided by LSEs, some project information and other projects currently in development may be missing. SDG&E should contact Energy Division with any questions about this list.

Date of Data Compilation: February 14, 2022

Table 1: Projects in SDG&E's Interconnection Queue by Resource

| Resource type | Number of Projects | MW NQC (Sept.) Estimated | Estimated Nameplate Range (MW) |
|---------------|--------------------|--------------------------|--------------------------------|
| Storage | 14 | 195 | 716 |
| Solar | - | - | - |
| Other* | - | - | - |
| Total | ~14 | ~195 | ~716 |

*Other includes CHP-Wasteheat, geothermal, biogas, wind, & biomass

Table 2: Projects in SDG&E's Interconnection Queue

| Project Number | CAISO Queue Number / WDAT Identifier | CAISO Resource ID | County |
|----------------|--------------------------------------|--------------------------|-----------|
| 1 | 1169 | FALLBROOK ENERGY STORAGE | San Diego |
| 2 | 1175 | LECONTE ENERGY STORAGE | Imperial |
| 3 | 1294 | VISTA ENERGY STORAGE 2 | San Diego |
| 4 | 1532 | KETTLE SOLAR ONE | San Diego |
| 5 | TBD | LS Power Gateway | San Diego |
| 6 | WDAT 122 and WDAT 123 | TBD | San Diego |
| 7 | WDAT 127 | TBD | San Diego |
| 8 | WDAT 128 | TBD | San Diego |
| 9 | WDAT 129 | TBD | San Diego |
| 10 | WDAT 130 | TBD | San Diego |
| 11 | WDAT 188 | TBD | San Diego |
| 12 | WDAT125 and WDAT126 | TBD | San Diego |
| 13 | TBD | Westside Canal | San Diego |
| 14 | 1532 | TBD | San Diego |