

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine  
Long-Term Procurement Planning  
Requirements.

Rulemaking 16-02-007  
(Filed February 11, 2016)

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION**

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CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**I. Introduction**

The California Independent System Operator Corporation (CAISO) hereby provides reply comments in response to the January 11, 2019 Administrative Law Judge's Ruling Seeking Comment on Proposed Preferred System Portfolio and Transmission Planning Process Recommendations (Ruling) and Attachments A (Attachment A) and B (Attachment B) thereto, issued in this proceeding. In these comments, the CAISO responds to party concerns about using the Hybrid Conforming Portfolio for transmission planning purposes. The CAISO continues to support using the Hybrid Conforming Portfolio to develop the reliability and policy base cases for the Transmission Planning Process to further identify reliability concerns that can inform future Commission integrated resource plans.

**II. Discussion**

**A. The Commission Should Transmit the Hybrid Conforming Portfolio to the CAISO for use in the Transmission Planning Process.**

In opening comments, the CAISO identified concerns with the modeling process and the assumptions used to develop the Hybrid Conforming Portfolio. Despite these concerns, the CAISO recommended using the Hybrid Conforming Portfolio as the reliability and policy base case in the 2019-20 transmission planning process (TPP). The

CAISO continues to support using the Hybrid Conforming Portfolio as the TPP base case because it will provide important information regarding any reliability issues associated with the portfolio. The Commission can use this information to inform the 2019-2020 integrated resource planning (IRP) process. As the CAISO noted in opening comments, the CAISO is not obligated to approve project solutions immediately for every identified deficiency, especially in the first year the need is identified. If the Hybrid Conforming Portfolio has the unintended consequence of driving a potential transmission upgrade, the Commission can adjust the portfolio in the next cycle, to obviate such need.

Separately, the CAISO notes that it has already conducted transmission planning analysis using the Reference System Plan in the 2018-19 TPP. There is no reason to study the Reference System Plan again in the 2019-20 TPP because it is unlikely to result in new information.

**B. Concerns Regarding Hybrid Conforming Portfolio Greenhouse Gas Emissions Should Be Addressed in the 2019-20 IRP Through Iterative Capacity Expansion and Production Cost Modeling Runs.**

Several parties raised concerns that the Hybrid Conforming Portfolio results in greenhouse gas (GHG) emissions well in excess of the Reference System Plan as modeled in both RESOLVE and SERVVM. The CAISO shares those concerns, but does not believe that merely reverting to the Reference System Plan addresses the underlying issues. Instead, as the CAISO recommended in January 4, 2019 comments in this proceeding, the Commission should adopt an iterative capacity expansion and production modeling process in the 2019-2020 IRP cycle's Reference System Plan development to ensure that the Commission can implement a portfolio that meets the GHG targets set in the capacity expansion modeling while meeting reliability requirements.

**III. Conclusion**

The CAISO appreciates this opportunity to provide reply comments and continues to urge the Commission to (1) transmit the Hybrid Conforming Portfolio to the CAISO for use in the TPP and (2) implement an iterative capacity expansion and production cost

modeling process to develop the Reference System Plan in the 2019-20 IRP cycle.

Respectfully submitted,

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