

**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 ON PROPOSED DECISION SETTING REQUIREMENTS FOR LOAD
SERVING ENTITIES FILING INTEGRATED RESOURCE PLANS**

Roger E. Collanton
General Counsel
Anthony J. Ivancovich
Deputy General Counsel
Anna A. McKenna
Assistant General Counsel
Jordan Pinjuv
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel.: (916) 351-4429
Fax: (916) 608-7222
jpjuv@caiso.com

Attorneys for the California Independent System
Operator Corporation

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits reply comments on the *Proposed Decision Setting Requirements for Load Serving Entities Filing Integrated Resource Plans* (Proposed Decision). The CAISO provides clarifications on party requests for an additional transmission study to support out-of-state resources and CAISO tariff-based timelines for transmission planning.

II. Generation Information is Needed to Conduct Further Studies Regarding Transmission for Out-of-State Resources.

Several parties have urged the Commission to request the CAISO to conduct new studies to evaluate out-of-state wind resources as part of the policy-driven scenario transmitted to the CAISO for the 2018-2019 Transmission Planning Process (TPP).¹ In contrast, other parties suggest that the CAISO has a predetermined agenda focused on studying out-of-state wind resources with an “intent to investigate the possibility of constructing entirely new interstate transmission lines to connect CAISO’s grid to wind farms in Wyoming and New Mexico.”² Contrary to both of these positions, the CAISO believes that additional study of transmission for out-of-state resources is not warranted until more detailed information regarding the size and location of prospective generation resources is developed.

For the CAISO to reasonably study a preferred policy portfolio and provide probative results, the Commission would need to provide detailed information regarding the amount and exact location of out-of-state wind resources to support the Commission’s policy direction.

¹ See opening comments on the Proposed Decision filed by American Wind Energy Association (AWEA) California Caucus, p. 4; LS Power, p. 3; Range Energy Storage Systems LLC, p. 7; and TransWest Express LLC, pp. 1, 5-6.

² Imperial Irrigation District Comments on the Proposed Decision, pp. 1-2.

Including out-of-state resources offsets new in-state resources would require a comprehensive portfolio to provide guidance to load serving entities (LSEs). Because these detailed resource information has not been developed at this point, additional transmission study would be duplicative of previous efforts.

The CAISO has been supportive of efforts to study transmission needs for out-of-state resources. The CAISO's most recent efforts culminated on January 4, 2018, with the CAISO completing a two-year evaluation of interregional transmission options supporting out-of-state resources to reach the 50% renewable portfolios standard.³ This study was informational in nature, but the CAISO is skeptical of the benefit of additional transmission study in the 2018-2019 TPP, as the analysis was based on Commission-provided portfolios for the express purpose of studying access to these out-of-state resources. The CAISO is not aware of any material progress in refining the details of the resources that would rationalize additional study at this time.

The CAISO raised this concern in comments on the Proposed Reference System Plan,⁴ pointing out that any immediate study request would not provide timely additional input to inform the development of the LSE preferred plans, which are being developed on a parallel timeline. Given the lack of new information to inform a portfolio with out-of-state wind, the CAISO instead supported a proposal from Commission staff presented at a workshop to incorporate a request for offers/interest to gauge commercial interest from generation developers.⁵ That activity could provide valuable information in informing future portfolios, making subsequent policy-driven analysis more meaningful and useful.

III. The CAISO has Deadlines to Complete the TPP.

The CAISO appreciates that development of an integrated resource plan and process is a major undertaking and commends the Commission for its efforts thus far. The CAISO believes a pathway is possible for the Commission to transmit both a reliability base case and public policy

³ See: <http://www.aiso.com/Documents/InterregionalTransmissionProjectITPEvaluationand50RPSOut-of-StatePortfolioAssessment.pdf> and <http://www.aiso.com/Documents/InterregionalTransmissionProjectITPEvaluationand50RPSOut-of-StatePortfolioAssessment.pdf>.

⁴ CAISO Comments on the Proposed Reference System Plan, p. 14.

⁵ Comments of the California Independent System Operator Corporation on Administrative Law Judge's Ruling Seeking Comment on the Proposed System Reference Plan and Related Commission Policy, October 26, 2017, p. 14.

scenario for use in the 2018-2019 TPP. However, in accordance with its tariff and business practice manual, the CAISO has deadlines for completing the reliability base case, conducting requisite stakeholder meetings, and posting a draft transmission plan. The CAISO must receive final inputs acceptable to the Commission for transmission planning and permitting processes that will allow the CAISO to timely complete the necessary activities.

IV. Conclusion

The CAISO believes that ample study has already been conducted on transmission options to consider out-of-state wind though there may be insufficient generation information available. The CAISO highly recommends additional action is taken to gauge commercial interest from wind developers. In addition, the CAISO believes the current timing for approval of the Default and 42 MMT Scenarios at the February 8, 2018 Commission business meeting will satisfy the CAISO's tariff-based deadlines to reflect those scenarios in the 2018-2019 TPP.

Respectfully submitted,

By: /s/ Jordan Pinjuv

Roger E. Collanton

General Counsel

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Deputy General Counsel

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Assistant General Counsel

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Senior Counsel

California Independent System

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