

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

Order Instituting Rulemaking to
Oversee the Resource Adequacy
Program, Consider Program Reforms
and Refinements, and Establish
Forward Resource Adequacy
Procurement Obligations.

Rulemaking 23-10-011

**REPLY COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON FINAL 2025 LOCAL CAPACITY TECHNICAL REPORT**

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Dated: May 13, 2024

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I. Introduction

Pursuant to the December 18, 2023 *Assigned Commissioner’s Amended Scoping Memo and Ruling* and the May 2, 2024 *Administrative Law Judge’s Ruling Modifying Track 2 Schedule*, the California Independent System Operator Corporation (CAISO) submits limited reply comments on the CAISO’s final 2025 Local Capacity Technical Report (Final Report).

In comments filed with the California Public Utilities Commission (Commission) on the Final Report, The Protect Our Communities Foundation (PCF) asserts that the CAISO’s Final Report “fails to make clear that the . . . [reliability] standards to which it cites are not binding.”¹ As discussed further below, the CAISO clarifies that the reliability standards studied in the Final Report are mandatory.

PCF also reiterates recommendations from its comments on the CAISO’s draft 2025 Local Capacity Technical Study Report, which the CAISO appropriately addressed in Attachment C of the Final Report. As such, the CAISO does not believe it is necessary to repeat its response here.

¹ PCF Opening Comments, p. 3.

Finally, PCF asserts that the CAISO did not file the Final Report in this proceeding. The CAISO filed the Final Report with the Commission on May 1, 2024, as noted in the CAISO's May 1, 2024 service email to the service list of this proceeding. The Commission accepted the filing on May 13, 2024.

II. The CAISO Must Apply All Established Reliability Standards in the Local Capacity Technical Report Study Process.

PCF asserts that the CAISO “conceded that the reliability standards to which it cites are not binding.”² PCF misinterprets CAISO's statements in Attachment C of the Final Report. The CAISO clarifies that it *must* apply all established reliability standards in the Local Capacity Technical Study process. The reliability standards studied in the Final Report are mandatory, enforceable, and subject to Federal Energy Regulatory Commission review and approval.³

The CAISO clarifies that although it must *study* all reliability standards, this does not mean every reliability standard the CAISO models in its study process is a limiting factor driving the local requirements (*i.e., binding*). The CAISO lists the most limiting factor for each local and sub-local area in the Final Report.⁴

The CAISO also notes that PCF did not participate in the CAISO's stakeholder process to develop the local capacity requirements identified in the Final Report. The Commission should adopt the local capacity requirements in the Final Report and direct party comments on changes to the CAISO's study methodologies to the CAISO's stakeholder processes. The CAISO's annual local capacity requirements stakeholder process is the appropriate forum to discuss changes to the CAISO's local capacity requirements study and would allow for more meaningful, direct discussion on such changes in future study cycles.

² PCF Opening Comments, p. 3.

³ See 16 U.S.C. 824o; CAISO tariff section 40.3.1, et seq.

⁴ *E.g.*, CAISO Final 2025 Local Capacity Technical Report, p. 34, for the Humboldt local capacity area: <https://www.aiso.com/InitiativeDocuments/Final2025LocalCapacityTechnicalReport.pdf>

III. Conclusion

The CAISO appreciates the opportunity to provide reply comments and requests the Commission adopt the Final Report as submitted.

Respectfully submitted

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