



May 17, 2023

Neil Millar
VP Transmission
California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

RE: Removal of Trout Canyon – Lugo Project from Draft 2022-2023 Transmission Plan

Dear Mr. Millar:

I am writing to voice NextEra Energy Resources, LLC's ("NextEra Resources") concerns about the California Independent System Operator Corporation's ("CAISO") recent decision to hold back the Trout Canyon-Lugo 500 kV Line project ("Trout Canyon Project") from the May 10, 2023 Revised Draft 2022-2023 Transmission Plan ("Revised Plan") pending additional analysis.¹ Based on discussion in the Revised Plan, it appears this decision was prompted by a letter the CAISO received from Lotus Infrastructure Partners, dated April 25, 2023 ("Lotus Letter"), which identifies Lotus' Mead-Adelanto Project Upgrade ("MAP Project") as a purportedly superior alternative solution to resolving the Lugo-Victorville 500 kV Area Constraint.

Irrespective of the relative merits of the MAP and Trout Canyon projects, NextEra Resources is deeply troubled by the manner and timing in which a new proposed transmission solution to a previously identified constraint was introduced into the CAISO planning process. While the Trout Canyon Project was first included as a potential solution to the Lugo-Victorville constraint in CAISO's November 2022 update,² Lotus apparently elected not to comment on that proposed solution or propose its MAP Project as a potential alternative until April 25, 2023 – after the Trout Canyon Project was already included in CAISO's April 3 Draft 2022-2023 Transmission Plan, and *less than a month before the CAISO Board's scheduled vote on that plan*. Yet the MAP Project is not a new idea that Lotus engineered during the current CAISO planning cycle. The Lotus Letter acknowledges that Starwood Energy "previously submitted this MAP Upgrade to the CAISO as a proposed TPP Open Window in 2014 and in 2015."³

Allowing project proponents to displace CAISO-identified solutions from the Transmission Plan at the eleventh hour establishes a dangerous precedent that will ultimately delay the construction of transmission infrastructure needed to alleviate system constraints that currently stand in the way of California's climate objectives. In addition to compromising the State's policy objectives, transmission planning and development delays have material consequences for clean energy developers like NextEra Resources. With over 10 GW of solar generation and bulk energy storage projects in the C14 and C15 interconnection queue windows that are impacted by the Lugo-Victorville 500 kV Area Constraint, NextEra Resources and other similarly situated

¹ See Revised Plan at 2, available at <http://www.caiso.com/InitiativeDocuments/Revised-Draft-2022-2023-Transmission-Plan.pdf>.

² See <http://www.caiso.com/InitiativeDocuments/Presentation-2022-2023-Transmission-Planning-Process-Nov%2017,%202022.pdf>.

³ Lotus Letter at 2.

developers require as much certainty as possible around the timing and efficacy of future policy-driven solutions so that project cost and deliverability can be accurately assessed and modeled. Uncertainty, like that introduced by the Lotus Letter, creates significant challenges for project developers. Compounding that uncertainty is the lack of technical detail in the Lotus Letter, which makes it impossible to evaluate the efficacy of the MAP Project in relieving the Lugo-Victorville Constraint.

NextEra Resources has a long history of developing renewable energy projects to meet California's climate-related objectives, and shares CAISO's interest in quickly identifying the most efficient and cost-effective solutions to transmission constraints that limit the deliverability of future projects. For the reasons described herein, NextEra Resources respectfully urges the CAISO to expedite any further analysis of the Trout Canyon Project deemed necessary so that it can be included for Board approval at the CAISO Board meeting in July.

Thank you for your attention to this matter.

Sincerely,

/s/ Jim Shandalov

Jim Shandalov
VP Development
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