



## **Comments on October 28, 2022 stakeholder call discussion CAISO Transmission Development Forum Q4 2022 Reports**

### **Comments Due November 16, 2022**

#### **Comment period**

October 28, 2022, 08:00 am – November 16, 2022, 05:00 pm

#### **Submitting organizations**

- California Public Utilities Commission - Public Advocates Office

## **California Public Utilities Commission - Public Advocates Office**

#### **Contact**

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On October 28, 2022, the California Independent System Operator (CAISO) held its Q4 Transmission Development Forum (TDF) meeting in collaboration with the California Public Utilities Commission (CPUC), and CAISO Participating Transmission Owners (PTO) including Valley Electric Association/GridLiance West (VEA/GLW), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E).

The purpose of the TDF is to create a single forum to track the status of transmission network upgrade projects that affect generators and all other transmission projects approved in the CAISO's Transmission Planning Process (TPP). The CAISO TDF includes previously approved TPP projects and network upgrades identified in the generator interconnection process. Only new resource projects that have executed a Large Generator Interconnection Agreement (LGIA) are included in the TDF.

Cal Advocates is an independent consumer advocate with a mandate to obtain the lowest possible rates for utility services, consistent with reliable and safe service levels, and the state's environmental goals.<sup>1</sup> These are Cal Advocates comments on the October 28, 2022 TDF.

The TDF provides increased transparency and public awareness of ongoing transmission development timelines. The TDF facilitates the timely identification of technical and project scheduling issues. Proactively resolving these issues can help reduce avoidable added costs to ratepayers and mitigate scheduling delays for needed transmission additions.

### **The Need for Severely Delayed Transmission Projects Should be Re-Evaluated**

During the TDF, PG&E provided status updates and information on project delays for 48 of its CAISO-approved transmission projects. These projects are only the tip of the iceberg. As PG&E explained, the subset of projects discussed are those with *recent* project schedule updates. As noted in the TDF workbook, PG&E has a total of 83 CAISO approved transmission projects that are delayed or pending operational status. This is in stark contrast to SCE and SDG&E that have only 13 and 14 pending projects, respectively. One of PG&E's severely delayed projects, the Metcalf-Piercy & Swift and Newark-Dixon Landing 115 kV Upgrade, was approved by CAISO nearly 20 years ago, in 2003. Indeed, PG&E has 7 delayed projects that were approved before 2010 and 13 projects that were approved prior to the 2011 TPP.

It is critical that CAISO scrutinize the need for previously approved transmission projects that are severely delayed. If a project was found to be necessary by CAISO 20 years ago but is still not built and isn't scheduled to be built for another 4 years, it is imperative that CAISO determine if the same system conditions exist today as at the time of approval. Ratepayers should not be burdened with funding transmission projects that have become unnecessary or obsolete given the length of time and changes to the grid that have transpired.

Cal Advocates recommends that CAISO re-evaluate the need for PG&E's 13 severely delayed projects that were approved prior to the 2011 TPP. If CAISO finds that the need for these projects has diminished, these projects should be

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<sup>1</sup> Pub. Util. Code Section 309.5.

eliminated. This critical analysis could provide necessary ratepayer relief and reduce PG&E's unacceptable backlog of transmission projects.

### **Severely Delayed Transmission Projects Should be Subject to Competitive Bidding**

It is critical, given the urgency of the climate crisis and California's efforts to both maintain reliability and transition its energy sector to zero-carbon resources, that transmission projects not be unnecessarily delayed. To address PG&E's huge backlog of CAISO-approved transmission projects, CAISO should enlist the competitive market to help alleviate the problem. Specifically, projects that the CAISO has deemed necessary, but which are severely delayed should be subject to competitive bidding by non-incumbent transmission developers. This approach would help reduce PG&E's backlog of projects and could provide cost savings to consumers as the Brattle Group reports that competitive processes have yielded savings averaging 30% below the incumbent utility transmission project cost.<sup>2</sup>

### **The TDF Workbook Should be Enhanced**

CAISO should enhance the transparency and usability of the TDF workbook as follows:

1. Provide a column that specifies whether the transmission project is a Reliability, Policy, or Economic project. This will convey important information regarding the purpose and urgency of a project and whether there are California policy goals or ratepayer cost benefits at stake.
2. Require all PTOs to use standardized language for reporting "project status" and use standardized columns. This change will help transparency and usability and comparisons between PTOs.
3. Provide a standardized definition of terms used in the TDF workbook.

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<sup>2</sup> Johannes P. Pfeifenberger et al., Brattle Group, *Cost Savings Offered by Competition in Electric Transmission Experience to Date and the Potential for Additional Customer Value*, prepared for LSP Transmission Holdings, LLC (April 2019).