

News Release

For immediate release | March 18, 2022

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California ISO Board approves transmission plan for next 10 years Improvements will enhance grid reliability, advance state clean-energy goals

FOLSOM, Calif. – The <u>2021-2022 10-Year Transmission Plan</u> was approved by the California Independent System Operator (ISO) Board of Governors at its March 17 meeting. The blueprint will boost grid resiliency during the state's electrification push and ongoing transition to carbon-free resources.

The plan identified 23 projects estimated to cost \$2.9 billion for system expansions, upgrades, and reinforcements needed for reliability and to meet the state's clean-energy targets efficiently and cost-effectively for the next 10 years.

"This plan is part of our ongoing commitment to resource adequacy and transmission sufficiency in California," said ISO President and CEO Elliot Mainzer. "It is the result of extensive collaboration with the California Public Utilities Commission, the California Energy Commission, and utilities and stakeholders from across the region. We're looking forward to the next steps in moving from planning to energization."

The latest plan reflects an escalation in the need for new transmission. The increase is attributed to rapid acceleration in the need for new generation driven by the state's goals of getting all electricity from carbon-free resources by 2045, and further electrifying the transportation, industrial, and residential sectors.

In the past few years, the ISO's plans have shown increased amounts of energy and transmission coming onto the grid. Last year's 2020-2021 transmission plan was based on projections that about 1,000 megawatts (MW) of new resources would be needed annually over the 10-year planning horizon. Next year's plan is currently projected to assume a requirement of more than 4,000 MW of new resources per year. The plan approved this week is based on an intermediate level of about 2,700 MW of new resources per year. It represents a meaningful step forward in meeting the grid's emerging challenges, while also recognizing that more transmission projects will be needed in the years ahead.

The latest transmission plan also outlines the role for a widening and expanding set of diverse resources to meet clean energy goals, including geothermal, new out-of-state renewables, and future offshore wind generation.

Closely coordinated with the CPUC and CEC, the ISO planning cycle runs from every January to early in the subsequent year. The actual plan, which relies heavily on state



agency input and data to make sure it is aligned with California's energy policies, also gets reviewed through a comprehensive and intensive stakeholder process. Projects are analyzed from the perspective of reliability, public policy, and economic benefits to consumers.

Now that it has been approved, the plan will guide collaborative activities for the implementation of the newly approved projects, including initiating a competitive solicitation process for four of the higher-voltage projects. Approval of the plan also sets in motion contractual agreements and cost recovery for transmission upgrades through ISO transmission rates.

For the first time ever, the ISO also produced a <u>20-Year Transmission Outlook</u> in addition to its yearly plan. While the 10-year plan is required by the ISO's federal tariff and identifies specific projects for construction, the longer outlook is designed to provide a framework and longer-term vision for the system's future transmission needs without recommending specific projects for approval.

Together, the two documents will help map the short-term, intermediate, and long-term milestones of the clean-energy transition, enabling rigorous and efficient planning coordination and creating the most cost-effective and durable transmission infrastructure to serve generations to come.

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The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a \$9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (WEIM) is a real-time wholesale energy trading market that enables participants anywhere in the West to buy and sell energy when needed. The WEIM Governing Body is the governing authority designed by regional stakeholders and has shared authority with the ISO Board of Governors to resolve rules specific to participation in the WEIM.