

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

Order Instituting Rulemaking to Modernize
the Electric Grid for a High Distributed
Energy Resources Future.

Rulemaking 21-06-017
(Filed June 24, 2021)

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING
RESPONSES TO QUESTIONS ON TRACK 1 PHASE 1**

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I. Introduction

The California Independent System Operator Corporation (CAISO) provides its reply comments on the April 6, 2023 *Administrative Law Judge’s Ruling Directing Responses to Questions on Track 1 Phase 1* (Ruling) by the California Public Utilities Commission’s (Commission). The CAISO’s reply comments focus on demand forecasts and consideration of transmission upgrades and costs in utility distribution planning processes (DPP).

II. Discussion

A. The Commission Should Ensure the Forecast Used in Distribution Planning is Aligned with Forecasts Used in Other Resource and Infrastructure Planning Processes.

The CAISO agrees with Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) that planning demand forecasts should align among DPP, Integrated Resource Planning (IRP), and the CAISO Transmission Planning Process (TPP) to the maximum extent possible. The CAISO also agrees with SCE that the California Energy Commission (CEC) Integrated Energy Policy Report (IEPR) forecast should be the starting point of the demand forecast used in distribution planning.¹ However, as SCE and SDG&E point out, timing differences among planning processes inherently create some divergence among the forecasts used in different planning processes.² The CAISO agrees with SDG&E that introducing additional load forecast scenarios into the DPP

¹ SCE opening comments, p. 7.

² SDG&E opening comments, pp. 5-6, SCE opening comments pp. 7-8.

could increase disconnects among planning processes. Additional demand scenarios also could make it difficult to justify resource portfolios developed in IRP or transmission upgrades in the TPP if planning decisions are not consistent across processes.³ Although different demand scenarios may be useful in distribution planning studies, the forecasts used in planning processes to make infrastructure decisions should align and should start with the CEC IEPR forecast, consistent with single forecast set guidance.

B. The Commission Should Avoid Potential Conflicts Between Distribution and Transmission Planning Processes.

The CAISO agrees with PG&E that the scope of transmission upgrades should be under the purview of the CAISO Transmission Planning Process (TPP).⁴ The CAISO also agrees with SCE and SDG&E that the TPP is a separate planning process from DPP, and the Commission should avoid potential conflicts between these processes.⁵

Several parties support including transmission costs and assumptions into distribution planning to evaluate the viability of non-wires alternatives.⁶ If the Commission incorporates transmission assumptions into distribution planning, these assumptions should be realistic, align with the CAISO's TPP, and avoid conflicting assessments between the two planning processes. Failing to do otherwise would risk delays in either process. Energy Division staff should coordinate closely with CAISO staff in this regard.

PG&E identifies a limited scope of distribution upgrades that may trigger transmission upgrades that must be constructed simultaneously with the distribution upgrades. PG&E states these transmission upgrades could be appropriate to consider in distribution planning.⁷ The CAISO agrees with PG&E that a limited scope of transmission upgrades may be viable candidates for evaluation within utility DPPs. However, broader consideration of transmission deferral in distribution planning should be evaluated carefully to avoid creating conflicts and potential delays in infrastructure development needed to meet increasing demand due to electrification. Transmission deferral touches on many aspects of procurement and development

³ SDG&E opening comments, pp. 5-6.

⁴ PG&E opening comments, p. 10.

⁵ SDG&E opening comments p.8, SCE opening comments p. 10.

⁶ Joint CCAs opening comments, p. 9, Cal Advocates opening comments, pp. 8-9, Clean Coalition comments, pp. 10-11.

⁷ PG&E opening comments, p. 10.

of generation and the grid. Applying a narrow lens to transmission deferral could result in the double counting of benefits and inefficient procurement and development incentives.

III. Conclusion

The CAISO appreciates the opportunity to provide reply comments.

Respectfully submitted

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