

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

Order Instituting Rulemaking to Establish
Policies, Processes, and Rules to Ensure Safe
and Reliable Gas Systems in California and
Perform Long-Term Gas System Planning.

Rulemaking 20-01-007
(Filed January 16, 2020)

**COMMENTS ON PROPOSED DECISION ON TRACK 1A AND 1B ISSUES OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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Dated: June 9, 2022

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I. Introduction

Pursuant to Rule 14.3 of the California Public Utilities Commission's (the Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits comments on the *Proposed Decision on Track 1A and 1B Issues* (Proposed Decision).

II. Discussion

The CAISO generally supports the Proposed Decision as a key step in this proceeding, recognizing that many of the important issues regarding gas needs for electric generation will be addressed in Track 2, which focuses on longer term planning for the gas system.^{1,2} As the Commission continues to consider the important issue of gas infrastructure needs in light of state greenhouse gas emission reduction laws, this proceeding is timely oriented with the California Energy Commission's (CEC) newly launched informational proceeding on decarbonizing the gas system.³ Topics in the CEC's informational proceeding include developing gas demand forecasts at the granularity needed for gas system planning and reliability assessments and considering how electric planning can adequately capture interdependencies between the gas and electric system and extreme weather events. The CAISO supports this Proposed Decision with the understanding that these issues will be addressed later in the proceeding and urges the

¹ The CAISO has previously urged the Commission to include this issue in Track 2 which examines gas infrastructure needs in light of state greenhouse gas emission reduction laws. *See Comments of the California Independent System Operator Corporation*, R.20-01-007, November 2, 2020, pp. 3-5.

² *Assigned Commissioner's Amended Scoping Memo and Ruling*, R.20-01-007, January 5, 2022, p. 3.

³ <https://www.energy.ca.gov/proceedings/energy-commission-proceedings/order-instituting-informational-proceeding-gas>

Commission to take advantage of this opportunity to coordinate and collaborate with the CEC and other parties.

A. The Proposed Decision Correctly Declines to Require the CAISO to Submit a Planning Proposal.

In the Energy Division’s October 2020 Staff Workshop Report, staff recommended the CAISO submit a proposal outlining a mechanism for determining the minimum amount of gas supply needed for electric reliability in California and indicating how the CAISO would allocate that gas to generators bidding into the market.⁴ The CAISO responded it cannot provide a planning level mechanism for determining minimum gas supply requirements given several uncertainties regarding long-term gas needs for electric generation.⁵ The CAISO also does not have the authority to allocate gas to generators under its tariff. The CAISO thus agrees with the Proposed Decision’s conclusion not to require the CAISO to submit a planning proposal outlining a mechanism for determining minimum gas needs to support electric generation.⁶

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the Proposed Decision.

Respectfully submitted

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⁴ *Assigned Administrative Law Judge’s Ruling Issuing Workshop Report and Staff Recommendations, Seeking Comment, and Modifying Proceeding Schedule*, Attachment 1: Track 1A: Reliability Standards and Track 1B: Market Structure and Regulations - Workshop Report and Staff Recommendations, October 2, 2020, p.41.

⁵ *Comments of the California Independent System Operator Corporation*, R.20-01-007, November 2, 2020, pp. 3-4.

⁶ Proposed Decision, p. 40.