

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

Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002
(Filed February 9, 2017)

NOT CONSOLIDATED

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.

Rulemaking 20-05-003
(Filed May 7, 2020)

NOT CONSOLIDATED

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

Rulemaking 21-10-002
(Filed October 7, 2021)

**NOTICE OF EX PARTE MEETING OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8.2 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby provides notice of oral *ex parte* communication in the above captioned proceedings.

This filing provides a summary of the CAISO's November 19, 2021 *ex parte* discussion with Jonathan Koltz, Chief of Staff to Commissioner Guzman-Aceves; and Advisors Kerry Fleisher and Maria Sotero. The meeting occurred from approximately 1:00 P.M. to 1:55 P.M. Neil Millar, Vice President of Infrastructure and Operations Planning; Delphine Hou, Director of California Regulatory Affairs; Jordan Pinjuv, Senior Counsel; and Sarah Kozal, Counsel, participated by Webex on behalf of the CAISO.

In attendance from the Commission's Energy Division was Simon Baker, Nathan Barcic, Jean Spencer, Eileen Hlavka, Karolina Maslanka, Lauren Reiser, Michele Kito, Jamie Rose Gannon, and Natalie Guishar.

Mr. Millar stated the CAISO is willing and interested in supporting a timely effort to analyze the local reliability impacts of reducing reliance on or closing Aliso Canyon. However, he noted it is most efficient and effective to do these types of analyses in conjunction with the Transmission Planning Process (TPP). If the CAISO is to provide an analysis earlier in 2022, it may not be as comprehensive in this timeframe.

Mr. Millar noted the CAISO previously provided several minimum generation level analyses for Los Angeles Basin local capacity needs. These differed primarily in changing assumptions. For any future analysis of transmission need, the CAISO must know how much gas will be available for electric generation in its balancing authority area—meaning both how much gas will be available after any action is taken on Aliso Canyon and how any gas shortfall will be allocated between the CAISO and the Los Angeles Department of Water and Power for planning purposes. The CAISO needs clear direction from the Commission regarding the expected shortfall level and allocation. Understanding which specific generators are already targeted in existing analyses would be most ideal.

Secondly, the CAISO will need an appropriate load forecast for any Aliso-related transmission planning analysis. If a high electrification scenario moves forward, it is clear that transmission facilities will be more difficult to build. In all cases, however, it is difficult to provide specific transmission infrastructure costs up front because they will depend in part on the reductions in available gas for electric generation. Importantly, the cost results of any analysis would be indicative due to uncertainty around permitting costs, right of way acquisitions, and mitigations, though the equipment costs are more definite.

Mr. Millar then discussed the TPP timeline and explained the TPP assumptions are the basis for specific transmission infrastructure approvals. The CAISO is constrained by the TPP timeline and other obligations in the planning cycle. The CAISO must first build study cases, including topology and forecasts as critical early TPP components. Given this process, it is extremely unlikely the CAISO could incorporate any determination in this proceeding regarding future Aliso Canyon usage into the 2022-2023 TPP cycle. To do so, the CAISO would need a decision by the spring of 2022, at the latest. Although the CAISO could study an Aliso Canyon

sensitivity case, it would be separate from the base case used to identify and approve transmission solutions. The expectation of the TPP is that the base case and assumptions provided to stakeholders at the beginning of the process will not change later in the process.

Mr. Millar closed by reiterating the CAISO's commitment to supporting this effort to analyze local impacts. However, the CAISO needs some level of direction on the amount of gas available or the specific generators and the extent they can be called on; any less than that will impact the certainty of the CAISO's analysis.

Respectfully submitted

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