

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

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

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

**COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING
COMMENTS ON ELECTRICITY RESOURCE PORTFOLIOS
FOR 2023-2024 TRANSMISSION PLANNING PROCESS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits comments on the *Administrative Law Judge’s Ruling Seeking Comments on Electricity Resource Portfolios for 2023-2024 Transmission Planning Process* (Ruling), issued on October 7, 2022.

II. Discussion

The CAISO appreciates the efforts of Energy Division staff in developing the proposed reliability and policy-driven base case portfolio and busbar mapping necessary for the CAISO’s annual Transmission Planning Process (TPP). The CAISO also appreciates the additional proposed sensitivity portfolios for consideration. The CAISO has allotted resources to study the proposed reliability and policy-driven base case portfolio and the first proposed policy-driven sensitivity portfolio but requests that the Commission not adopt the second proposed policy-driven sensitivity portfolio. The Commission should also clarify its expectations for studying the Maximum Import Capability (MIC) and, whenever possible, prioritize projects in Phase 2 of the CAISO’s interconnection process when applying the commercial interest criteria in the proposed busbar mapping process.

A. Questions for Parties

The CAISO provides responses to Questions 1, 2, and 4.

Question 1: Do you recommend any changes to the proposed base case portfolio in Section 2 of this ruling? If so, provide rationale and justification for your recommended changes.

The CAISO does not recommend any changes to the proposed base case portfolio, but the CAISO requests clarification on deliverability study expectations for long lead-time resources. As noted in the Ruling, in the July 1, 2022 letter to the CAISO, “Commissioners requested that the CAISO study opportunities to provide Maximum Import Capability (MIC) expansion and incremental transmission capacity necessary for deliverability of long-lead time renewable resources, such as geothermal and out-of-state wind, beyond the CAISO’s balancing area authority, particularly those mapped in the policy driven base case and sensitivity study portfolios in the 2022-2023 TPP cycle.”¹ The Commission should clarify whether it maintains the same study expectations for the proposed base case portfolio in the 2023-2024 TPP cycle.

Question 2: Do you recommend any changes to the proposed sensitivity portfolios in Section 3 of this ruling? If so, provide rationale and justification for your recommended changes.

The Commission should not adopt the second proposed policy-driven sensitivity portfolio (second sensitivity portfolio) because it largely duplicates the base case portfolio, fails to meet the objectives described in the Ruling, and would unduly require significant time and resources from the CAISO.

The Ruling explains that the “objective of this [second] sensitivity is to better understand the transmission needs of a portfolio with significantly more solar, storage, and geothermal, and to identify transmission upgrades that may be common across portfolios, which would aid in identifying base case upgrades or alternatives that are ‘least regrets’ under a variety of resource mix futures.”² However, the second sensitivity portfolio differs from the base case portfolio in only two ways. First, the base case portfolio includes twice as many out-of-state and offshore wind resources compared to the second sensitivity portfolio and will require new transmission. Because the second sensitivity portfolio has only half the amount of these transmission-dependent resources, there is no need to study these resources separately. Second, the base case includes approximately 40,000 MW of solar resources by 2035, whereas the second sensitivity

¹ Ruling, p. 9.

² Ruling, pp. 11-12.

portfolio identifies the same amount slightly earlier in 2033. Up to this point, the two portfolios would not produce significantly different transmission buildouts to support solar resources and maintain reliability. By 2035, the second sensitivity portfolio adds almost another 10,000 MW of solar; however, as a sensitivity portfolio, the CAISO can curtail generation rather than trigger reliability upgrades to accommodate the additional solar resources. In other words, the additional solar buildout would not necessarily lead to a commensurate transmission expansion. All other resources, including battery storage, are relatively the same across both portfolios. Thus, the two portfolios are very similar, and the minor differences across the portfolios would not lead to significantly different outcomes. Therefore, studying the second sensitivity portfolio is unnecessary.

Another objective of the Ruling is to provide the CAISO with portfolios “to assist in future planning by identifying relevant transmission needs and potential costs.”³ Studying the second sensitivity portfolio will not directly lead to this outcome. Instead, the CAISO’s interconnection process and study of the various projects in clusters will provide additional insight into transmission needs and potential costs. For modeling purposes, the CAISO can work with Energy Division staff to provide the appropriate transmission capability data from the Cluster 14 Phase 1 study results. The CAISO will also conduct a comprehensive update of the transmission capability white paper primarily using the results of the Cluster 14 Phase 1 studies to develop the portfolios for the 2024-2025 TPP.

Finally, conducting a sensitivity study requires significant resource and time commitment from the CAISO and its staff. As such, the Commission should act judiciously in requesting additional sensitivities. The CAISO believes the first proposed policy-driven sensitivity portfolio is significantly different than the base case portfolio and may lead to useful outcomes. However, studying the second sensitivity portfolio will not produce any meaningful benefit, wasting limited time and resources. As such, the Commission should not adopt the second sensitivity portfolio.

The CAISO requests that the Commission clarify whether the same expectation for MIC, as addressed in the CAISO’s response to Question 1, also applies to the proposed sensitivity portfolios.

³ Ruling, p. 2.

Question 4: Do you recommend any changes to the specific busbar mapping criteria and their implementation described Section 5 of this ruling and in Attachment A? If so, provide rationale and justification for your recommended changes.

The Commission should include in Step 11(b)(i) of its proposed battery mapping methodology and, more generally, in applying the commercial interest criteria, an additional criterion prioritizing projects in Phase 2 of the CAISO's interconnection process because developers must post financial security to progress from Phase 1 to Phase 2.⁴ Because Phase 2 projects have posted financial security, the Commission can use Phase 2 projects as a demonstration of higher confidence in commercial interest than Phase 1 projects.

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the Ruling.

Respectfully submitted

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⁴ Ruling, Attachment A: Methodology for Resource-to-Busbar Mapping & Assumptions for The Annual TPP, p. 22