

**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)

**OPENING COMMENTS OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
ON PROPOSED DECISION ALLOWING BRIDGE RESOURCES FOR  
ALTERNATIVE COMPLIANCE WITH DIABLO CANYON REPLACEMENT  
RESOURCE CATEGORY IN DECISION 21-06-035**

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Dated: August 29, 2024

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**I. Introduction**

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits opening comments on the August 9, 2024 *Proposed Decision Allowing Bridge Resources for Alternative Compliance with Diablo Canyon Replacement Resource Category in Decision 21-06-035* (Proposed Decision).

The Commission should adopt the Proposed Decision, which will allow load-serving entities (LSEs) to utilize bridge contracts to meet procurement targets and support near-term reliability until Diablo Canyon Power Plant (Diablo Canyon) replacement capacity comes online.

**II. Discussion**

**A. The Commission Should Adopt the Proposed Decision to Allow Bridge Resources to Temporarily Meet the Diablo Canyon Replacement Portion of Mid-Term Reliability Procurement Obligations.**

The Commission’s 2021 Mid-Term Reliability (MTR) Decision (D.) 21-06-035 ordered all LSEs to procure specific resources to ensure reliability following the planned closure of Diablo Canyon, including 2,500 megawatts (MW) of zero-emitting capacity paired with an energy component by June 1, 2025.<sup>1</sup>

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<sup>1</sup> CPUC, Decision Requiring Procurement to Address Mid-Term Reliability, D.21-06-035, June 30, 2021.

In 2023, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) filed a Petition for Modification (PFM) to modify D.21-06-035 to delay replacement procurement for Diablo Canyon from 2025 to 2027, citing several challenges for new resources to come online by 2025. In opening comments on the Commission’s January 10, 2024 *Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification*, PG&E, SCE, and San Diego Gas and Electric Company (SDG&E) recommended the Commission require substitute procurement for delays in Diablo Canyon replacement procurement.<sup>2</sup> The CAISO supported these recommendations.<sup>3</sup> Although the Commission did not adopt these recommendations in D.24-02-047, Energy Division staff subsequently submitted a proposal with a similar recommendation that the Commission allow bridge procurement to backfill delays in Diablo Canyon replacement procurement until new resources come online.<sup>4</sup> The CAISO supported Energy Division’s proposal.<sup>5</sup>

The Commission should adopt the Proposed Decision to create a category of “zero-emitting bridge contracts” that LSEs may use to meet temporarily the Diablo Canyon replacement portion of the D.21-06-035 MTR procurement obligations. Allowing bridge procurement to backfill delays in Diablo Canyon replacement procurement will help meet reliability targets in the near term until longer-term resources come online.

Although bridge procurement will help avoid potential capacity shortfalls in the near term, LSEs must continue to work towards procuring the Diablo Canyon replacement portion of the D.21-06-035 MTR procurement obligations. New resource procurement is important to ensure the Commission’s Integrated Resource Plan materializes to meet reliability and clean energy targets in the long term.

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<sup>2</sup> PG&E, Opening Comments on Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, January 30, 2024, p. 4; SCE, Opening Comments on Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, January 30, 2024, p. 5; SDG&E, Opening Comments on Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, January 30, 2024, p. 4.

<sup>3</sup> CAISO Reply Comments on Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, February 05, 2024, p. 3.

<sup>4</sup> CPUC, Administrative Law Judge’s Ruling Seeking Comments on Staff Proposal to Allow Temporary Bridge Resources to Meet Diablo Replacement Obligations, May 21, 2024.

<sup>5</sup> CAISO, Opening Comments on CPUC’s Energy Division Staff Proposal to Allow Temporary Bridge Resources to Meet Diablo Replacement, June 11, 2024.

In the interim, the Commission should adopt the Proposed Decision to allow LSEs to utilize bridge contracts to meet procurement targets and support near-term reliability until Diablo Canyon replacement capacity comes online.

### **III. Conclusion**

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

Respectfully submitted

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