



## Stakeholder Comments Template

### On-Peak Deliverability Assessment Methodology Refinements

Submitted by	Organization	Date Submitted
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**Please provide your organization’s comments on the following issues and questions.**

#### Introduction

ACP-CA appreciates the CAISO’s consideration of how to evolve its on-peak deliverability assessment. To understand the practical impacts of these changes on interconnection customers and queue outcomes, we recommend that the CAISO provide estimates of the expected magnitude of changes to deliverability quantities from the proposed changes, as well as further detail on when and under what circumstances the CAISO might exercise the option to model proposed resources to address local reliability constraints.

#### **1. Please provide your organization’s feedback on the On-Peak Deliverability assessment redlines and June 11 meeting discussion.**

##### *A. Modeling proposed resources and addressing local reliability issues and constraints*

ACP-California appreciates the consideration of the proposed modifications, especially given the recent reduction in Transmission Plan Deliverability (TPD) available in the Southern California region due to the cancellation of the Serrano Del-Amo Mesa (SDM) project and the identification of a new Mira Loma–Mesa constraint, which will limit TPD availability in a number of regions even after new transmission projects (e.g., Trout Canyon–Lugo) were approved. We support the proposal to address deliverability held up by this constraint in the near term through the modeling of the 2 GW of batteries in the 2025–2026 TPP Base Case by treating these batteries as an “existing resource” in the

CAISO's generation deliverability assessment. We also appreciate the CAISO clarifying that deliverability awarded based on this changed modeling approach is not contingent upon, nor can it be revoked based on, whether those storage resources come online. We recognize that, compared to a wires-based solution, this approach is likely to benefit resources in development in the Southern California Eastern, East of Pisgah, and North of Lugo regions earlier. We also appreciate the CAISO's proactive approach to addressing the challenges created by the cancellation of the SDM project by evaluating the role of batteries in providing a deliverability solution. However, we encourage the CAISO to continue to explore further solutions to address the challenges created by the SDM project cancellation, including an additional wires-based solution to facilitate broader resource deliverability.

We recommend that the CAISO coordinate with the CPUC on the planning and procurement of the 2 GW of batteries that will be modeled in the deliverability assessment to help ensure they are brought online and compensated fairly and sufficiently. In general, ACP-CA supports using storage as an alternative to transmission development where feasible, but also recognizes the need to address challenges associated with storage development in certain urban areas and to further explore storage-as-transmission-asset (SATA) policy. Beyond the case of the Mira Loma–Mesa constraint, stakeholders would benefit from greater transparency regarding how storage or other “planned” resources to be turned “on” in the model will be identified and modeled to relieve transmission constraints.

While we support these changes—especially as a near-term solution—ACP-California has a number of questions about the broader implementation of this approach as it relates to Integrated Resource Planning (IRP), the Transmission Planning Process (TPP), storage compensation, resource procurement needs, and deliverability awards. While we support moving forward with the changes to the deliverability methodology now, going forward, ACP-California also urges the CAISO to work with the CPUC and stakeholders to methodically work through these questions.

- **Should this be an emergency, short-term solution or a broader policy trend?  
In any case, CAISO should continue to explore wires-based solutions**

ACP-California expressed concerns about the impacts of the SDM cancellation in our comments on the Draft 2025–2026 TPP, while not opposing the SDM cancellation itself. We are supportive of the modeling approach presented here as a near-term mitigation for the downstream effects of that project cancellation. However, to accommodate the 11 GW of SCE Eastern, East of Pisgah, and North of Lugo resources expected in 2035 as part of the 2025–2026 TPP Base Case, as well as the approximately 16 GW of new resources in the 2026–2027 TPP, the CAISO will likely need to approve a wires-based solution that resolves the Mira Loma–Mesa constraint and optimizes the value of the recently approved Trout Canyon–Lugo upgrade. Both the SDM and Trout Canyon–Lugo projects

were policy-driven upgrades approved based on the TPP resource portfolios rather than the need to address a local reliability constraint.

Accordingly, we encourage the CPUC and CAISO to carefully consider how any broader policy approach would balance local storage solutions with transmission investments. Local storage may provide important near-term reliability and deliverability benefits in certain circumstances, but it may not resolve the full range of constraints that a wires solution would address or fully satisfy the underlying policy-driven need. Storage may be an appropriate non-wires alternative to resolve certain requirements of the TPP, while larger-scale resource portfolio deliverability solutions will likely continue to require transmission upgrades.

Thus, while we support the changes to the generation deliverability methodology, we also urge the CAISO to evaluate wires-based solutions to address the Mira Loma–Mesa constraint in the 2026–2027 TPP cycle. We also encourage the CAISO to work with the CPUC to evaluate the feasibility of portfolios with large quantities of batteries in local reliability constraint areas, noting the 7.8 GW of batteries included in the 2026–2027 Base Case portfolio for the SCE Metro area.

➤ **How will the new resources turned on as “existing” resources be procured?**

CAISO’s second criterion for exercising the proposed change in the deliverability analysis is that the resources should have “a reasonable likelihood of coming online on time.” The ability of storage resources to come online “on time” will depend on timelines for siting and permitting, as well as the procurement process ultimately used. Depending on the locational requirements for these resources, as discussed below, it may be more or less challenging to rapidly site and permit new resources. We note that siting battery storage in the LA Basin is becoming increasingly challenging, due to both land constraints and local opposition.

We also seek more information and discussion on how these storage resources will be procured if they are highly location-specific. One option could be for the CPUC to utilize the local RA central procurement entity (CPE) to procure resources in a specific geography while sharing costs and benefits via the Cost Allocation Mechanism (CAM). This could also enable “self-showing” of resources that meet the requirements of this local procurement and have already been procured for RA or IRP purposes. ACP-California expresses caution about the CPUC authorizing utility-owned generation for this purpose, which would set a precedent of reduced competitive opportunity, but is open to competitive processes that enable build-operate-transfer or other utility-IPP partnership arrangements that could aid in project siting. We hope the CAISO will support

additional discussion on procurement options and processes for these storage resources at the CPUC and in other appropriate venues.

➤ **How will resources be compensated?**

The proposed methodology change would model certain resources as online even though they are still in development. This change, especially as it applies to the 2 GW of batteries in the LA Basin in question for near-term study updates, leaves outstanding questions about how these planned resources would be compensated and how CAISO can ensure they will be available to meet the reliability needs they are included in the portfolio to address.

On the one hand, the criterion that a resource be “identified in the resource portfolio” (IRP) would indicate storage or generating resources procured by LSEs as capacity and energy resources, compensated under contract for those same products, and participating actively in CAISO’s energy and ancillary service markets. On the other hand, the criterion of “meeting a local reliability need in lieu of a transmission upgrade” implies that the resource could be treated as a storage-as-transmission-asset (SATA) resource. We observe that battery storage resources compensated exclusively as SATA resources generally are not financeable, while storage selling RA and energy or operating as a dual-use resource would be. In any case, the CPUC and CAISO should evaluate the proper compensation framework for these resources with stakeholders, including revisiting dual-use opportunities for SATA resources in a CAISO stakeholder initiative.

➤ **What resources can benefit from the deliverability increase made available by this change?**

Given that we understand that the proposed change in the deliverability assessment methodology was, at least in part, driven by the impacts of the SDM cancellation in the latest TPP, we also recommend the CAISO evaluate and consider expanding the resources that could benefit from this adjustment.

The Mira Loma–Mesa constraint affects resources in the SCE Eastern, East of Pisgah (EOP), and North of Lugo (NOL) regions, as identified in the 2025 TPD assessment. The TPD report shows over 16 GW of resources behind the Mira Loma–Mesa constraint that could not receive TPD in the 2025 allocation. We also observe 9.7 GW of FCDS resources in Cluster 14 seeking to interconnect at Eastern SCE, EOP, and NOL POIs, while there are none in Cluster 15. However, C14 resources just had their last opportunity to secure TPD, and C16 resources will not have that opportunity until March 2028. Thus, to maximize the benefits of this new modeling approach, the CAISO should consider extending one additional TPD allocation opportunity to C14 resources behind the Mira Loma–Mesa constraint.

➤ **Where would resources need to be sited to both address a local reliability need and a deliverability need?**

The proposed methodology change would enable resources to be counted as “existing” if they “help address a local reliability need identified in the TPP.” However, it is unclear how this local need will be defined. The CAISO’s LCR report defines the boundaries of local capacity areas and the transmission lines and substations that count as “in” or “out” for purposes of defining local capacity resource eligibility. We observe that while the 2025–2026 TPP portfolios mapped 1.9 GW of total battery storage resources in the SCE Metro area for 2035, only 413 MW of resources not in the baseline are mapped to substations qualifying as inside the LA Basin per the LCR report. Meanwhile, the 2025 TPD study identifies the Mira Loma–Mesa constraint covering a much larger area, including many POIs extending as far east as Trout Canyon and as far south as San Onofre.

Assuming the 2,000 MW of battery storage referred to in relation to the SDM project cancellation is an alternative to mitigate a local reliability constraint, the CAISO should work with the CPUC to determine where those resources are expected to come online to mitigate the reliability constraint and provide for increased deliverability.

**B. *Proposed Changes to Generation Dispatch Levels to Account for Increased Planning Reserve Margin (PRM)***

ACP-CA supports the proposed change in the dispatch level of existing capacity resources (reducing it from 80% to 70%) to account for the recent increase in the PRM.