

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

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

Rulemaking 25-06-019

**REPLY COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON THE PROPOSED DECISION REQUIRING 2029-2032 ELECTRIC RESOURCE
PROCUREMENT AND TRANSMITTING PORTFOLIOS FOR 2026-2027
TRANSMISSION PLANNING PROCESS**

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I. Introduction

Pursuant to Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, and the January 27, 2026 *Email Ruling Granting, In Part, Request for Extension of Filing Deadlines for Proposed Decision (Rule 11.6)*, the California Independent System Operator Corporation (CAISO) respectfully submits reply comments on the January 14, 2026 *Proposed Decision Requiring 2029-2032 Electric Resource Procurement and Transmitting Portfolios for 2026-2027 Transmission Planning Process* (Proposed Decision).

II. Discussion

A. The Commission Should Maintain the Proposed Decision's 6 GW Procurement Order.

In opening comments, several load serving entities (LSEs) recommend the Commission modify the Proposed Decision to reduce and/or reassess portions of the proposed 6 GW procurement order based on the latest California Energy Commission's (CEC) 2025 Integrated Energy Policy Report (IEPR) planning forecast, which reflects lower peak demand than the 2024 IEPR planning forecast.¹ The Commission should not reduce the proposed 6 GW procurement order for reasons set forth below.

¹ Pacific Gas and Electric Company Opening Comments, p. 3; Southern California Edison Company Opening Comments, pp. 8-9; San Diego Gas & Electric Company Opening Comments, p. 3;

First, the CEC did not explicitly incorporate “known loads,” or customer requests to investor-owned utilities for energization, into the adopted 2025 IEPR planning forecast. Instead, the CEC will continue to monitor the progress of known loads throughout 2026 and will further develop its approach to incorporating these loads into the planning forecast in future IEPR cycles.² As a result, the adopted 2025 IEPR planning forecast may understate future demand.

Second, the CEC, the Commission, and the CAISO recognize the risk that actual demand could exceed the adopted 2025 IEPR planning forecast. As such, the Commission will continue to use the 2024 IEPR planning forecast for its integrated resource planning (IRP) processes, and the CAISO will continue to use the 2024 IEPR planning forecast for bulk, economic, and policy studies conducted as part of CAISO’s 2026-2027 Transmission Planning Process (TPP). The Single Forecast Set agreement memorializes this approach.³ Because the Commission IRP process and the CAISO’s 2026-2027 TPP studies will continue to use the 2024 IEPR planning forecast, and because there is uncertainty about whether actual demand will be higher than the CEC’s adopted 2025 IEPR planning forecast, the Commission should maintain its proposed 6 GW procurement order by 2032 to address reliability needs in 2029-2032. Issuing a procurement order well ahead of the identified need will provide LSEs and developers with the necessary lead time to complete procurement processes and navigate potentially long development timelines. This proactive approach is critical to avoid capacity shortfalls in 2029-2032.

B. If there are Risks that LSE Procurement will not Produce a Reliable Portfolio, then CAISO Supports the Commission Taking Measures to Ensure a Balanced Resource Portfolio in 2029-2032.

Several parties recommend the Commission adopt an explicit long-duration energy storage (LDES) procurement requirement as part of the proposed procurement order.⁴ These parties state that absent a clear directive, LSEs will not have sufficient incentives to procure

California Community Choice Association Opening Comments, p. 4; Alliance for Retail Energy Markets Opening Comments, p. 3.

² Single Forecast Set Agreement among the CEC, the Commission, and the CAISO: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=268288&DocumentContentId=105461>

³ *Id.*

⁴ Hydrostor, Inc. (Hydrostor) Opening Comments, p. 4; Long Duration Energy Storage Council (LDES Council) Opening Comments, p. 6; Coalition of California Utility Employees (CUE) and California Unions for Reliable Energy (CURE) Opening Comments, p. 14.

LDES resources, which are often long-lead time. Separately, Form Energy, Inc. (Form Energy) and the California Energy Storage Alliance (CESA) recommend the Commission modify and update effective load carrying capability (ELCC) values for LDES and multi-day storage to effectively value and establish procurement signals for these resource types.⁵ Hydrostor notes that the proposed base case portfolio shows a need for over 11 GW nameplate of LDES resources by 2031.⁶

The CAISO recognizes that the proposed base case includes an increased amount of LDES resources within the window of the proposed procurement order. The CAISO agrees with Form Energy and CESA that the Commission should update ELCC values for long duration storage to ensure appropriate procurement signals for resource types reflected in the base portfolio during the years covered by the procurement order. If there is risk that LSE procurement will deviate significantly from the planned base case and will not produce a reliable portfolio, then the CAISO supports the Commission considering additional measures to ensure a reliable, balanced portfolio that more closely resembles the proposed base case in 2029-2032, including the recommendations of Hydrostor, and the LDES Council.

C. The Commission Should Not Allow Energy-Only Long Lead-Time Resources to Count Towards Proposed and Existing IRP Procurement.

The Sonoma Clean Power Authority and City of San Jose (Joint CCAs) recommend that the Commission allow energy-only long-lead time (LLT) resources to qualify for the newly proposed procurement and mid-term reliability requirements. The Joint CCAs state, “[T]he PD should be modified to extend eligibility to all energy-only LLT resources, with no requirement that they be collocated with fully deliverable storage.”⁷ The Joint CCAs explain, “Deliverability studies are narrowly anchored to summer peak power flow conditions, and are not necessarily relevant to power flow and reliability in non-summer months.”⁸

The CAISO does not support allowing energy-only LLT resources to qualify for IRP procurement requirements. Allowing energy-only resources to meet procurement order requirements, without evaluating whether resources are deliverable, could result in resources that

⁵ Form Energy Opening Comments, p.2; CESA Opening Comments, pp. 10-11.

⁶ Hydrostor Opening Comments, p. 6.

⁷ Joint CCAs Opening Comments, p. 5.

⁸ *Id.*, p. 4.

cannot deliver energy to the CAISO Balancing Authority Area under stressed grid conditions. This may pose significant reliability risks. Specifically, if the Commission relies on energy-only resources to serve demand or charge storage resources and these resources are not able to perform, the CAISO may lack sufficiently charged or dispatchable resources to meet demand during stressed grid conditions. Additionally, the CAISO does not have a deliverability assessment specific to storage charging needs, nor a technical assessment to reasonably confirm that energy only resources can be relied upon to charge storage resources across the transmission system. Storage resources are now a large and critical share of the resources required to meet net peak demand on critical days. The Commission should not underestimate the reliability risks that would arise if storage resources cannot charge sufficiently on critical days. For the reasons stated above, the Commission should not allow energy-only LLT resources to be used for the proposed procurement order and mid-term reliability procurement compliance.

III. Conclusion

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

Respectfully submitted,

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