UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Interregional Transfer Capability Study: Strengthening Reliability Through the Energy Transformation	))))	**Docket No. AD25-4-000**

COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation (CAISO) submits these comments on the Interregional Transfer Capability Study (ITCS) submitted by the North American Electric Reliability Corporation (NERC) and noticed in this proceeding.[1] The CAISO commends the work performed by NERC in engaging stakeholders and finalizing the study, which provides useful information for existing planning regions as they assess inter-regional transmission capability needs. However, the ITCS does not reflect all planned and under-construction transmission and resource development. In order to isolate where inter-regional transfer capability needs may exist, it is first necessary to have a complete and accurate portrayal of all planned development and then undertake more detailed analysis of project needs. Thus, additional modeling work needs to occur through established transmission planning and coordination processes to reflect planned development the ITCS does not identify. The CAISO recommends

[1] Notice of Request for Comments re Interregional Transfer Capability Study: Strengthening Reliability through the Energy Transformation in AD25-4 dated November 25, 2024. The CAISO's comment on the ITCS are limited and, therefore, do not follow the detailed format included in the Commission's notice.

the Commission not issue new directives to planning regions based on the ITCS, but instead continue to monitor and facilitate industry discussion regarding the need to increase inter-regional transfer capability based on specific facts and circumstances identified by existing planning regions.

With respect to specific planning assumptions, the ITCS uses a 2024/2025 transmission system topology, which does not does include several in-development or in-construction transmission projects in the western region such as Southwest Intertie Project - North, TransWest Express, or SunZia Transmission. These transmission projects, once operational, would significantly increase inter-regional transfer capability among planning regions in the Western United States in the near-term planning horizon. Similarly, there are other transmission projects currently in development in the West. In addition, the ITCS does not reflect the diversity of planned resources located in southern California that may support power flows to northern California. Future off-shore wind resources off of the North Coast and Central Coast of California may also provide additional energy supply to northern California and the broader region.

In prior Commission proceedings, the CAISO has explained that existing processes in the CAISO's planning region already provide an effective means to increase inter-regional transfer capability.[2] The CAISO utilizes its tariff-based transmission planning process to consider grid reliability needs, policy-driven transmission needs, and economic study considerations through a robust study and

[2] *See e.g.* Post-Workshop Comments of the CAISO dated May 13, 2023 in Commission docket AD23-3: https://elibrary.ferc.gov/eLibrary/filedownload?fileid=6E232E89-A657-CA43-A5AF-88212DA00000. The Commission should also consider these comments in this proceeding.

stakeholder engagement process. In California, state agencies provide demand and resource inputs for the CAISO to consider and use in its transmission planning process. Specifically, the California Energy Commission provides demand outlooks, and the California Public Utilities Commission provides forward-looking resource portfolios that include significant amounts of out of state wind, geothermal, and solar resources. The CAISO incorporates these demand and resource scenarios in its annual transmission planning studies. This existing framework is functioning effectively and has resulted in the approval of transmission that increases interregional transfer capability. For example, the CAISO has approved two 500 kV transmission projects that increase transfer capability under an economic need evaluation, and also provide general reliability benefits.[3] The CAISO's planning framework considers grid enhancing technologies, extreme event analysis, and can incorporate new reliability standards such as transmission system planning performance requirements for extreme weather. Current efforts to incorporate directives of Commission Orders No. 1920 and 1920-A will build on this framework and help ensure the CAISO and other planning regions in the West, identify long-term transmission needs to support resource development, reliability, and resiliency. The Commission should allow existing planning regions to focus on specific needs in each individual region, in particular the reasons why such needs exist, and then assess the best solutions to address those needs.

[3] The DesertLink Harry Allen - Eldorado 500 kV facility reached commercial operation in 2020. The Ten West Link Colorado River - Delaney 500 kV facility reached commercial operation in 2024.

Among other findings, the ITCS identifies an addition of 1,100 MW in transfer capability from the Wasatch Front (Nevada, Idaho, Utah, as well as parts of Montana and Wyoming) into northern California.[4] The ITCS identifies this addition based on the extreme heat event experienced in the West during the summer of 2022.[5] In the context of transfer capability to Northern California, the CAISO is currently exploring the impacts of California state resource portfolios that project an additional 1,500 MW of Wyoming wind directly delivered to Northern California by 2039.[6] Accordingly, to address the resource portfolios the CAISO is using in its transmission planning process, the CAISO will consider potential transmission solutions to meet this need.

The CAISO appreciates the opportunity to provide these comments on the ITCS and to consider the study input assumptions and results in the context of its planning efforts. The Commission should continue to allow the planning practices of each region to identify what issues might drive a need for increased inter-regional transfer capability (or some other solution) and then identify projects to address those needs most efficiently and cost-effectively.

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[4] ITCS at xvi and xvii, Figure ES.5: Prudent Additions to Transfer Capability and Table ES.1: Recommended Prudent Additions Detail.

[5] ITCS at 98-99.

[6] *See e.g.* CAISO Presentation: 2024-2025 Transmission Planning Process - Policy & Economic Preliminary Assessment and Study Updates dated November 13, 2024 at 44.

The Commission should not issue directives to planning regions based on the ITCS.

Respectfully submitted,

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February 25, 2025

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 25th day of February, 2025.

/s/ Anna Pascuzzo

Anna Pascuzzo