

**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 THE PROPOSED DECISION TRANSMITTING ELECTRICITY RESOURCE  
PORTFOLIOS TO THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR FOR  
2025-2026 TRANSMISSION PLANNING PROCESS**

Roger E. Collanton  
General Counsel  
William H. Weaver  
Assistant General Counsel  
Marissa Mercado  
Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: 916-963-0521  
Fax: 916-608-7222  
Email: [mmercado@caiso.com](mailto:mmercado@caiso.com)

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**I. Introduction**

The California Independent System Operator Corporation (CAISO) submits opening comments on the California Public Utilities Commission’s (Commission) *Proposed Decision Transmitting Electricity Resource Portfolios to the California Independent System Operator for 2025-2026 Transmission Planning Process* (Proposed Decision), issued on January 10, 2025.

The CAISO supports several of the Proposed Decision’s directives. The CAISO will model the adopted base case portfolio as the reliability and policy-driven base case in the CAISO’s 2025-2026 Transmission Planning Process (TPP). The CAISO also will study the adopted sensitivity portfolio in the CAISO’s 2025-2026 TPP. The CAISO appreciates the efforts of Energy Division staff to develop the proposed base and sensitivity portfolios and busbar mapping for the CAISO’s 2025-2026 TPP.

The CAISO supports the proposed base and sensitivity portfolios. The CAISO also supports and appreciates the Proposed Decision’s direction that the CAISO reserve transmission plan deliverability (TPD) for long lead-time (LLT) resources. Additionally, CAISO appreciates the Proposed Decision’s specificity on resource types that should be eligible for this treatment at the CAISO. The Commission’s busbar mapping also provides sufficient resource and locational granularity for the CAISO to study and reserve TPD for specific resource types and locations. To aid the CAISO in its proposed process to reserve and allocate TPD for certain “long lead-time” resources, the CAISO requests the Commission communicate, in addition to the project

technology type, capacity size, and specific location (point of interconnect or transmission zone), the expected number of projects that the Commission expects to be eligible to compete for the reserved transmission capacity at a specific point of interconnection. The directives in the Proposed Decision will supplement the CAISO's efforts in its Interconnection Process Enhancements (IPE) Track 3 initiative to the extent necessary.

The CAISO also supports directives in the Proposed Decision that ask the CAISO to study, but not yet trigger, new transmission to support certain resources modeled in base portfolios. These directives pertain to: (1) out-of-state (OOS) wind modeled in the 2025-2026 TPP base portfolio beyond the amounts that can be accommodated by already-identified and in-development transmission projects; (2) Wyoming wind in the 2024-2025 TPP base portfolio; and (3) certain wind modeled in California but outside of the CAISO balancing authority area. The CAISO supports these directives that will allow the CAISO and Energy Division more time to study options, benefits, and risks associated with the wind resource amounts. The CAISO also agrees with the Proposed Decision that developing new out of state transmission projects will require additional coordination with other balancing authorities and regional planning entities. The Proposed Decision's direction will allow additional time for regional collaboration and stakeholder input.

The CAISO provides some suggested clarifications to the Proposed Decision. The Proposed Decision directs the CAISO to reserve transmission plan deliverability for certain OOS wind and in-state wind amounts modeled in the 2025-2026 TPP, "specifically excluding the mapped resources with potential transmission upgrades identified for further study and those mapped as energy only."<sup>1</sup> The CAISO asks the Commission for clarification on this directive.

Lastly, the CAISO supports the Proposed Decision's direction that the CAISO work with Energy Division staff to quantify the allocation between batteries that received TPD and batteries modeled in the portfolio that affect deliverability of North Coast offshore wind (OSW).

## **II. Discussion**

### **A. The CAISO Supports the Proposed Base Case Portfolio**

The CAISO supports the Energy Division's proposed base portfolio for study in the CAISO's 2025-2026 TPP. The base case portfolio is generally consistent with the 2024-2025

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<sup>1</sup> PD, p. 54.

TPP base portfolio in nearer-term years, with an increase in new resources (primarily solar and storage) after 2035 due to the California Energy Commission’s higher demand forecast. The CAISO supports consistency in integrated resource plan (IRP) portfolios year after year because it provides greater certainty and stability in downstream processes, including transmission planning, procurement, and interconnection processes.

**B. The CAISO Supports the Proposed Decision’s Direction on “Long Lead-Time” Resources.**

The Proposed Decision states:

In addition to OSW and OOS wind, other LLT resources may have unique policy advantages, particularly for resource diversity. If no deliverability is reserved for certain LLT resource types that are identified by the Commission, we run the risk that transmission, once developed, may be used by resources that come online because they are easier to site, faster to come online, and currently most cost-competitive, compared to the LLT resources.<sup>2</sup>

The CAISO agrees with the Proposed Decision’s assessment and is currently developing details for a process to reserve and allocate deliverability for certain “long lead-time” resources in its IPE Track 3 policy initiative.<sup>3</sup> In the IPE Track 3 initiative, the CAISO proposes a clear and transparent process within each TPP cycle to determine the eligibility for a resource to exercise an option to take additional time to seek TPD to better align with commercial milestones and procurement. The CAISO will determine this eligibility in a transparent manner and in close coordination with local regulatory authorities, based on resource planning processes.

The Proposed Decision requests that “the [CAISO] reserve deliverability on the transmission system for the full amount of resources of the following types in the base case portfolio: geothermal, biomass, offshore wind, and non-battery long-duration energy storage.”<sup>4</sup> The CAISO appreciates the Commission providing clarity on the resources that should be eligible for treatment as a “long lead-time” resource in the CAISO’s future proposed TPD reservation process. The CAISO also appreciates the Proposed Decision’s direction that the CAISO “reserve deliverability on the transmission system for a portion of the diverse and LLT

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<sup>2</sup> PD, p. 53.

<sup>3</sup> CAISO IPE Track 3: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2023>.

<sup>4</sup> PD, Ordering Paragraph 3.

resources with long development timelines, geographic constraints, and policy advantages.”<sup>5</sup> The CAISO supports the Proposed Decision’s detail and directives around “long lead-time” resources, which supplement the future process the CAISO is developing in IPE Track 3 that will rely on input from Local Regulatory Authorities.

The Proposed Decision states:

Certain types of LLT resources have unique value and may become more cost-competitive in the future, but they currently have longer and more difficult development processes, are limited by geographic location, and may be more expensive...Thus, we will ask the CAISO to reserve deliverability for all of these types of resources in the 2035 portfolio, to the extent consistent with the CAISO tariff and still-ongoing 2023 IPE Track 3 Initiative.<sup>6</sup>

For this and future reservations of transmission capacity for public policy goals, the CAISO seeks clarification, if applicable, of how many projects the Commission expects to compete for this capacity. To the extent that the Commission expects a certain number of projects or a certain volume of capacity to receive reserved transmission capacity, the Commission should communicate that information to the CAISO to help the CAISO determine how to allocate the capacity among those projects. If the Commission does not specify a number, the CAISO will apply its own methodology to allocations, as discussed in Track 3 of the CAISO’s IPE policy initiative.<sup>7</sup>

The Commission should clarify that this directive applies to resource technology types, capacity amounts, specific location (i.e., point of interconnection or transmission zone), and expected number of projects, if applicable, in the base portfolio the Commission will transmit to the CAISO for the 2025-2026 TPP. This information will help the CAISO reserve and allocate TPD for certain “long lead-time” resources in the future process proposed in the CAISO’s IPE Track 3 initiative.

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<sup>5</sup> *Id.*, p. 71.

<sup>6</sup> *Id.*, p. 54.

<sup>7</sup> CAISO IPE Track 3: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2023>.

### **C. The CAISO Supports the Proposed Decision’s Guidance to Study but Not Yet Trigger Transmission for Certain OOS and In-State Wind Projects.**

The Proposed Decision includes several directives requesting the CAISO to study, but not yet trigger, new transmission to support certain resources modeled in base portfolios. These directives pertain to: (1) OOS wind modeled in the TPP base portfolios beyond the amounts that can be accommodated on already-identified and in-development transmission projects; (2) Wyoming wind in the 2024-2025 TPP base portfolio; and (3) certain wind modeled in California but outside of the CAISO balancing authority area.

The CAISO supports these directives and agrees with the Proposed Decision that deferring decisions on transmission solutions will allow the CAISO and Commission staff more time to evaluate risks and options for certain wind projects, seek stakeholder input, and coordinate with other regional planning entities.

#### **1. OOS Wind**

The Proposed Decision states, “Given uncertainties at this stage, this year we will ask the CAISO not to trigger upgrades related to the additional OOS wind amounts in the portfolio that are beyond the amounts that can be accommodated on the already-identified and in-development transmission upgrades.”<sup>8</sup> The Proposed Decision also requests the CAISO “undertake a special study of the various routes and combinations for the OOS wind amounts to learn more information about the details of potential routes.”<sup>9</sup>

The CAISO supports the Proposed Decision’s directive that the CAISO defer triggering transmission for additional amounts of OOS wind in the 2025-2026 base portfolio identified in Commission staff’s busbar mapping that transmission upgrades already approved or in development do not already accommodate. The CAISO agrees with the Proposed Decision that additional OOS wind in the base portfolio would trigger transmission needs beyond the transmission already approved and in-development, requiring the CAISO to identify and study new transmission lines with limited information on transmission developer interest.<sup>10</sup>

The Commission should clarify that this directive also applies to the 2024-2025 TPP base portfolio given both the 2024-2025 TPP and the 2025-2026 base portfolios have OOS wind

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<sup>8</sup> PD, p. 56.

<sup>9</sup> *Id.*

<sup>10</sup> PD, pp. 55-56.

resources mapped from Wyoming and New Mexico in excess of what transmission projects currently in development, namely TransWest Express LLC, SunZia Transmission, LLC, and Southwest Intertie Project – North, can deliver. The CAISO agrees with the Proposed Decision that deferring transmission solutions for these OOS wind resources will allow more time for the CAISO and Commission staff to assess options, benefits, and risks associated with the OOS wind amounts. Additionally, this approach will allow more time for stakeholder input and coordination with other regional planning entities. Accordingly, the CAISO supports the Proposed Decision’s directives regarding OOS wind with the requested clarification regarding the 2024-2025 TPP base portfolio.

## **2. In-state Wind**

The Proposed Decision states, “Similar to the OOS wind issues generally discussed above, for this year’s TPP, we are asking the CAISO to do additional study on transmission solutions to upgrade the NVE/BPA system or directly interconnect the CAISO grid to deliver these in-state (but out-of-CAISO) wind resources.”<sup>11</sup> The CAISO supports this directive. The CAISO agrees with the Proposed Decision that deferring triggering transmission projects or upgrades to support these in-state but out-of-CAISO balancing authority area wind resources will allow the CAISO more time to assess options for potential solutions ahead of next year’s TPP cycle and allow more time for coordination with other balancing authority areas. Similar to the clarification requested for OOS wind, the Commission should clarify that this directive applies to specific in-state but out-of-CAISO balancing authority area wind resources in both the 2024-2025 and 2025-2026 base portfolios.

## **3. Wyoming Wind**

In addition to the 2025-2026 base portfolio, the Proposed Decision requests the CAISO study, but not yet trigger, transmission for Wyoming wind resources beyond the amounts that can be accommodated on the already-identified and in-development transmission upgrades in the current 2024-2025 TPP.<sup>12</sup> The CAISO supports the Proposed Decision’s directive. This will allow the CAISO additional time to evaluate potential transmission solutions and coordinate with other regional planning entities.

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<sup>11</sup> PD, p. 57.

<sup>12</sup> *Id.*, p. 56.



**D. The CAISO Supports the Proposed Decision’s Directive that the CAISO Reserve Deliverability for Certain OOS and In-State Wind Resources.**

The Proposed Decision states, “Considering the amount of in-state and OOS wind in development and in the portfolio that can take advantage of existing or already-approved transmission, we will ask the CAISO to reserve deliverability for [approximately] 65 percent of these resources in this TPP, specifically excluding the mapped resources with potential transmission upgrades identified for further study and those mapped as energy only, until we have time to reevaluate the additional transmission needed.”<sup>13</sup> The CAISO asks the Commission to clarify this directive to reserve deliverability for certain OOS and in-state wind resources. Specifically, the CAISO seeks to confirm that: (1) 65% of the base portfolio amounts for OOS and in-state wind constitutes 100% of the transmission that has already been approved to access OOS and in-state wind in previous transmission plans; and (2) the remaining 35% of deliverability that would not yet be reserved would be associated with future transmission that the CAISO will study, but not yet approve, in 2024-2025 and 2025-2026 Transmission Plans. Additionally, if this understanding is correct, the CAISO confirms that it has exercised existing authority to reserve deliverability associated with previously-approved transmission plans.<sup>14</sup> Lastly, the Commission should clarify that this directive applies to the amounts of resources in the 2025-2026 TPP base case portfolio.

**E. The CAISO will Work with Commission Staff to Identify Battery Storage Projects with Transmission Planning Deliverability with the Greatest Impact on OSW.**

The Proposed Decision asks “Commission staff to work with CAISO staff to identify a portion of the storage projects with TPD with the largest impact on the OSW area.”<sup>15</sup> The Proposed Decision specifies that including this additional amount of storage resources with the mapped portfolio resources for study in the 2025-2026 CAISO TPP will “inform and enable necessary transmission capacity to support the deliverability of these key OSW resources.”<sup>16</sup> The CAISO supports this directive and will work closely with Energy Division staff to quantify

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<sup>13</sup> PD, p. 54.

<sup>14</sup> <https://stakeholdercenter.caiso.com/InitiativeDocuments/DraftFinalProposal-InterconnectionProcessEnhancements2023Track3-Jan09-2025.pdf>.

<sup>15</sup> PD, p. 52.

<sup>16</sup> *Id.*

the allocation between storage projects in the queue that received TPD and storage projects in the 2040 portfolio as well as identify storage projects with TPD with the largest impact on OSW for study in the 2025-2026 TPP.

### **III. Conclusion**

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

Respectfully submitted

**By: /s/ Marissa Mercado**

Roger E. Collanton

General Counsel

William H. Weaver

Assistant General Counsel

Marissa Mercado

Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel: 916-963-0521

Fax: 916-608-7222

Email: [mmercado@caiso.com](mailto:mmercado@caiso.com)

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