

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

Order Instituting Rulemaking to
Update and Amend Commission
General Order 131-D.

Rulemaking 23-05-018
(Filed May 18, 2023)

**OPENING COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON ADMINISTRATIVE LAW JUDGES' RULING INVITING COMMENT
ON PHASE 2 STAFF PROPOSAL AND NOTICING WORKSHOP**

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Dated: July 1, 2024

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits comments on the May 17, 2024 *Administrative Law Judges’ Ruling Inviting Comment on Phase 2 Staff Proposal and Noticing Workshop* (Ruling) by the California Public Utilities Commission (Commission).

II. Discussion

The CAISO recognizes the importance of a predictable, well-defined permitting process and appreciates the initiative taken by the Commission to expedite the transmission permitting process. In line with the expected rapid growth in demand and corresponding new resource development needed to serve that load, the CAISO continues to encourage the Commission to find solutions to expedite the permitting process in a way that both promotes efficient development and transparency. The Phase 2 Staff Proposal (Staff Proposal) contains several productive proposals that serve to meet these goals, many of which are also similar to proposals contained in the Joint Settlement Agreement.¹ The CAISO generally supports the Staff Proposal, and offers the following comments on specific areas.

¹ See SDG&E, SCE, and PG&E; Joint Motion for Adoption of Phase 1 Settlement Agreement (Sept 29, 2023).

A. The CAISO Supports Staff Proposal’s Inclusion of the Rebuttable Presumption for CAISO-Approved Projects Pursuant to Assembly Bill 1373 (Section 3.3).

The CAISO believes reflecting a rebuttable presumption for CAISO-Approved Projects Pursuant to Assembly Bill 1373 in GO 131-D is appropriate to ensure the general order reflects all applicable law. In establishing the rebuttable presumption, the California Legislature recognized the process through which the CAISO makes “explicit findings regarding the need for the proposed transmission project and [determines] that the proposed project is the most cost-effective transmission solution.²” Establishing a rebuttable presumption of need pertaining to a proposed transmission project, with a specific scope, estimated cost, and timeline as approved by the CAISO Board reflects the independent evaluation process undertaken by the CAISO to identify transmission solutions necessary to meet the reliability and policy needs of the state.³

B. The Commission Should Continue Its Efforts to Accelerate California Environmental Quality Act (CEQA) Review Timelines (Section 3.8).

The pilot program outlined in the Staff Proposal is an opportunity to expedite CEQA review timelines. The CAISO encourages the Commission to set strong timelines should they find them feasible in the pilot program.

The Commission should utilize existing processes such as the extensive up-front work, including an analysis of alternatives, completed through the CAISO transmission planning process.⁴ The Commission can leverage the CAISO’s independent analysis of feasible electrical alternatives.

While the CAISO does not consider routing, an issue appropriately left to the CEQA process, the CAISO examines electrical solutions in the transmission planning process through robust modeling and stakeholder input.⁵ By the time a project reaches the Commission in an application for either a Certificate of Public Convenience and Necessity or a Permit to Construct,

² Cal. Pub. Utilities Code § 1001.1.

³ See Reply Comments of the CAISO on Joint Motion for Adoption of Phase 1 Settlement Agreement at 6.

⁴ See <http://www.caiso.com/Documents/Transmission-Planning-Process-Overview.pdf>.

⁵ See Opening Comments of the CAISO on Joint Motion for Adoption of Phase 1 Settlement Agreement at 6.

there has been extensive vetting and analysis of the project.⁶ The CEQA process administered by the Commission does not employ the rigorous analysis of electrical reliability present in the CAISO's transmission plan to determine system impacts or feasibility of alternatives. Importantly, the transmission plan reviews not just the proposed project itself, as the CEQA documentation does, but includes an effective framework to accurately model electrical alternatives and assess feasibility of the proposed project as part of the interconnected electrical system as a whole, and how it contributes to reliability overall.⁷ The CAISO thus supports the proposed reform that focuses the CEQA review on routing and siting alternatives that address the CAISO's electrical solution, deferring the analysis of system alternatives to the CAISO's transmission planning process.

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the Phase 2 Staff Proposal. The CAISO encourages the Commission to continue its efforts to expedite the permitting process in a way that promotes efficient development and transparency, and utilizes the robust analysis of alternatives completed through the CAISO transmission planning process.

Respectfully submitted

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⁶ See Opening Comments of the CAISO on the Order Instituting Rulemaking to Update and Amend Commission General Order 131-D at 4.

⁷ See Reply Comments of the CAISO on Joint Motion for Adoption of Phase 1 Settlement Agreement at 3.