

**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)

**REPLY 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 15, 2024

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits brief reply comments pursuant to 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 seeks to correct misrepresentations about its transmission planning process and provide a high level overview of inputs and outcomes to support the CAISO’s prior position that the Commission should leverage the CAISO’s transmission planning analysis to streamline permitting and the California Environmental Quality Act process.¹ First, the process begins with the Commission’s resource portfolio as the input for future resources, a portfolio which incorporates distributed energy resources, as well as the California Energy Commission’s (CEC) demand forecast, which incorporates behind-the-meter resources. The CAISO’s transmission planning modeling then does not *only* look at utility-scale renewables,² but incorporates the

¹ See, for example, Reply Comments of the California Independent System Operator Corporation on Joint Motion for adoption of Phase 1 Settlement Agreement (Nov. 13, 2023).

² Clean Coalition Comments on Administrative Law Judges’ Ruling Inviting Comment on Phase 2 Staff Proposal (July 1, 2024) at pg. 5, describing the Integrated Resource Portfolio based only on utility-scale renewables.

Commission's entire resource model as well as the CEC's demand forecast. The argument that the Commission should not rely on the CAISO's findings in the transmission plan because it only looks at utility scale renewables is therefore premised on a false assumption about what is included in the transmission plan. Second, as previously described in earlier comments,³ the CAISO's transmission planning process does consider non-transmission alternatives, including storage. The CAISO considers non-transmission alternatives itself and in response to stakeholder input, a formalized step in the planning process.

The California Farm Bureau Federation (CFB) suggests that there are better opportunities for streamlining the CAISO's process, citing to a Cal Advocates finding that utilities file applications for certificates of public convenience and necessity (CPCN) on average four years after approval of the project in the CAISO's transmission plan.⁴ This remark around streamlining opportunities in the CAISO's process is flawed as it misunderstands the CAISO's analysis process and the process of transmission developers prior to filing for a CPCN. The CAISO's analysis in the CAISO's transmission planning process includes strict timelines codified in its Federal Energy Regulatory Commission (FERC)-approved tariff and takes place prior to Board approval of the Transmission Plan. The CAISO's analysis and findings are performed in a roughly 12 month process, identifying projects in the annual Transmission Plan, which is approved by the Board of Governors each May.⁵ For the limited number of projects that are subject to competitive solicitation, the CAISO selects approved project sponsors after Board approval of the Transmission Plan, with approved project sponsor agreements executed thereafter. The timelines for selecting the approved project sponsor are largely driven by the time needed for competitors to develop the detailed applications required by the competitive process and to respond to the various stages of the selection process itself. These processes were the result of extensive process design and stakeholder input leading to processes that were ultimately approved by FERC.

³ See, for example, Reply Comments of the California Independent System Operator Corporation on Joint Motion for adoption of Phase 1 Settlement Agreement (Nov. 13, 2023) at pg. 4.

⁴ Comments of the California Farm Bureau Federation on the Administrative Law Judges' Ruling Inviting Comment on the Phase 2 Staff Proposal (July 1, 2024) at pg. 7.

⁵ See Section 24 of the CAISO Transmission Tariff.

III. Conclusion

The CAISO appreciates the opportunity to provide reply comments on the staff proposal.

Respectfully submitted,

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