

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

Application of LS Power Grid
California, LLC (U-247-E) for a
Certificate of Public Convenience and
Necessity Authorizing Construction of
the Collinsville 500/230 kV Substation
Project.

Application 24-07-018
(Filed July 30, 2024)

**REPLY BRIEF OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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Date: July 24, 2026

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The California Independent System Operator Corporation (CAISO) submits this reply brief pursuant to the April 21, 2026 *Assigned Commissioner's Scoping Memo and Ruling* (Scoping Ruling) and June 18, 2026 *Administrative Law Judge's Ruling Amending the Schedule*. The CAISO recommends the Commission approve LS Power Grid California, LLC's (LS Power) application for a certificate of public convenience and necessity (CPCN) to construct the Collinsville 500/230 kV Substation Project (Project).

I. Introduction

In this proceeding LS Power and the CAISO have met the conditions required for the Commission to establish a rebuttable presumption of need in favor of the CAISO Board's finding of need. California Forever, LP (California Forever) claims differently by making convoluted arguments regarding the CAISO Board's approval process and relying on an unsustainable definition of the settled term, "scope," neither of which are persuasive. Additionally, California Forever continues asserts incorrectly that the planning justifications for the Project are no longer valid. This is incorrect. The CAISO's comprehensive assessments and modeling show the Project is needed regardless of the future of offshore wind. In any event, the Commission's resource portfolio continues to show offshore wind even following the consideration of the Federal policies California Forever raises in this proceeding. The Commission should grant LS

Power's application for a CPCN because the Project is needed as the most cost-efficient solution to maintain reliability, serve load, and mitigate thermal overloads in the Bay Area.

II. Discussion

A. California Forever Errs in Claiming the Four Conditions to Establish the Rebuttable Presumption Have Not Been Met.

As described in the CAISO's Opening Brief, all four conditions for the rebuttable presumption to apply have been met. The parties do not dispute two of the four conditions – that the CAISO be a party to the proceeding and the CAISO governing board-approved need evaluation be submitted to the Commission with sufficient time to be included within the scope of the proceeding. Regarding the other two, California Forever fails to demonstrate the conditions have not been met because its interpretation of the requirements is strained, unreasonable, and inconsistent with Commission precedent.

1. The CAISO Board Did Find the Project to be Least Cost, Meeting the Condition (a) of Public Utilities Code Section 1001.1.

California Forever attempts to be clever in its reading of the CAISO Board's adoption of the CAISO's transmission plan claiming that because the *motion* to adopt the plan does not specifically list the need for this particular project and is only a "single-page document," the Board's adoption of the transmission plan does not meet the statutory requirement of Public Utilities Code Section 1001.1.¹

California Forever's interpretation is unreasonable for several reasons. First, the Commission has adopted the rebuttable presumption in other cases where the CAISO Board has voted on and approved the CAISO's transmission plan in the identical way it did here,² and holding otherwise would diverge from this clear precedent. Second, the process of adopting documents is standard CAISO practice and has been for years; the CAISO Board adopts all documents and makes all decisions with a similar vote via motion. This can be gleaned from a simple review of substantive board decisions/motions on the CAISO's website. Although the CAISO is not a state agency and operates under corporate practices and policies, these procedures nonetheless are more than sufficient to meet the holding in *Topanga*, cited by

¹ *Opening Brief of California Forever, LP* (July 13, 2026) (California Forever Opening Brief) at 31.

² *See, for example, Decision Granting LS Power Grid California, LLC a Certificate of Public Convenience and Necessity Authorizing the Manning 500/230 Kilovolt Substation Project* D.25-09-013 (Sept. 26, 2025).

California Forever, that for administrative agencies subject to California Code of Civil Procedure § 1094.5 “findings must bridge the analytic gap between the raw evidence and ultimate decision or order.”³ Unlike the decision of the local planning commission in *Topanga* that contained no findings in any of the record, the CAISO Board’s decision expressly references and is based on the underlying transmission plan and supporting documents that contain that finding of need. These materials, reviewed and scrutinized by the Board, included in the public Board meeting materials, and presented orally at the Board meetings, contain the findings that bridge the gap between the modeling and analysis in the transmission planning process and the decision to approve selected projects as the most cost-efficient solution. In adopting that transmission plan via motion, the CAISO Board essentially makes those findings. Indeed, the Board Motion expressly says, “Moves that the ISO Board of Governors approve the ISO 2021-2022 transmission plan attached to the memorandum dated March 9, 2022.”⁴ Third, requiring the CAISO’s Board to make the type of motion California Forever suggests would produce the absurd outcome of requiring the motion restate much of the transmission plan in its entirety. The CAISO’s transmission plan regularly includes dozens of needed projects of varying sizes, and it is impractical to expect a motion adopting the findings in the plan to list all those same findings, rather than incorporating them by reference. Moreover, the statute regarding the rebuttable presumption was drafted after the CAISO’s longstanding practice had been in existence and to align with the CAISO’s processes. Creating new processes to meet a statute intended to reduce the administrative burden on the Commission and reflect the expertise and robust planning processes of the CAISO does not make sense. This condition for the rebuttable presumption clearly has been met.

2. There Has Been No Change in Scope, Therefore Satisfying Condition (d) for the Rebuttable Presumption to Apply.

California Forever similarly makes an overly expansive reading of the word “scope” as used in the statute. California Forever’s opening brief claims “‘scope’ cannot be read as referring purely to a project’s physical expansions,”⁵ and yet it makes no arguments why the Commission should accept a different definition. The CAISO’s transmission plan specifically

³ *Topanga Assn. for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, 514-515.

⁴ CAISO, Motion to Approve 2021-2022 Transmission Plan (Mar. 17, 2022), available at: <https://www.caiso.com/documents/decision-on-2021-2022-transmission-plan-motion-mar17-2022.pdf>.

⁵ California Forever Opening Brief at 32.

uses the word “scope” to describe the physical and functional specifications of a project. This is a consistent practice in all transmission plans and the widely accepted meaning in the industry. In the case of the Project, the 2021-2022 Transmission Plan specifically states:

The **scope** of the Collinsville 500/230 kV substation project is as follows:

- A new Collinsville 500/230 kV substation looping in Vaca Dixon – Tesla 500 kV line
- Two 500/230 kV transformers with 1,500 MVA ratings
- Two 230 kV cables between Collinsville and Pittsburg 230 kV
- The series capacitor on the Vaca Dixon – Tesla 500 kV line is currently all at Vaca Dixon substation. As part of the project, the series capacitor at Vaca Dixon will be reduced and new series caps will be installed on the Collinsville – Tesla 500 kV line at Collinsville substation to keep the compensation level on each line section the same as what is currently between Vaca Dixon and Tesla (~%75).⁶ (emphasis added).

Moreover, to support this interpretation, the public utilities code refers to scope, estimated cost, and timeline, all of which are discussed in the CAISO’s transmission plan grouped together for each project. In this case, following the scope identified above, the transmission plan states that, “[t]he estimated cost of the Collinsville 500/230 kV substation project is \$475-675 million with an expected in-service date of 2028.”⁷ There is no ambiguity here that the statute intended to refer to the “scope” of a project as used in the transmission plan.

California Forever also erroneously describes the project approval documents as part of a “‘static’ approach to transmission planning” because of what California Forever purports to be unconsidered changed circumstances.⁸ This incorrectly characterizes the CAISO’s planning process, where the CAISO regularly models changing grid conditions and then re-scopes projects if necessary as part of the annual plan. The CAISO has, in other cases, re-scoped or even cancelled projects when there are changed circumstances.⁹ However, as further described in Subsection B(2) below, because the portfolios of future resources from the Commission’s Integrated Resource Planning process continue to include offshore wind, even if one were to accept California Forever’s overly broad assertion there would be no changed circumstances

⁶ CAISO 2020-2021 Transmission Plan (March 24, 2021) at 193-194, available at <https://www.caiso.com/documents/boardapproved2020-2021transmissionplan.pdf>.

⁷ *Id.* at 194.

⁸ California Forever Opening Brief at 9.

⁹ See, e.g., CAISO 2025-2026 Transmission Plan (May 19, 2026), Section 2.3.3 Previously Approved Project Re-scopes, available at <https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan.pdf>.

here. In any event, the Project remains needed even if the offshore wind never materializes.¹⁰ California Forever continues to ignore this fact.

B. The Project Remains Needed Regardless of Offshore Wind

California Forever incorrectly claims the Project is no longer needed in its current location and configuration without offshore wind.¹¹ As described in the CAISO's Opening Testimony and again in its Sur-Surrebuttal Testimony,¹² offshore wind is merely one, but not the only driver, of need for this Project. The Project was selected as the most cost-efficient solution to meet two primary drivers – addressing thermal overloads and providing an additional supply path to support load serving needs, especially with expected load growth in the area – and it was also chosen following a sensitivity case for offshore wind.¹³ As summarized below, the CAISO's expert witness's testimony describes in detail how the ongoing thermal overload issues continue to exist regardless of offshore wind development, how each of the potential alternatives identified by California Forever was reviewed, and why each does not address the issue.¹⁴

The CAISO determined in the 2021-2022 transmission planning process that the Collinsville 500/230 kV Substation Project was needed to address overloads on transmission facilities in Northern California and support load serving needs in the Greater Bay Area.¹⁵ Also, it supported integration of offshore wind as reflected in the resource portfolios provided by the California Public Utilities Commission (CPUC).¹⁶ In response to California Forever's claim that implementation of other solutions addresses the thermal overloads concerns, the Sur-Surrebuttal Testimony of the CAISO's expert witness discussed how the Collinsville Project is still needed, even without the development of offshore wind and with addition to the other solutions.¹⁷

The CAISO's expert testified that in the mid-term (5 years and beyond), the CAISO in fact modeled the Collinsville 500/230 kV Substation Project as a solution to address three distinct issues. Without the Collinsville substation, the CAISO's reliability assessments show overloads occurring in the mid-term planning scenario and then worsening in the long-term scenario. Also,

¹⁰ Exhibit CSO-01 at 6-7; Exhibit CSO-02 at 6.

¹¹ California Forever Opening Brief at 14.

¹² Exhibit CSO-01 at 6-7 and Exhibit CSO-02 at 6.

¹³ Exhibit CSO-01 at 4-7; Exhibit CSO-02 at 2.

¹⁴ Exhibit CSO-01 at 4-7 and Exhibit CSO-02 at 2-5.

¹⁵ Exhibit CSO-01 at 4; Exhibit CSO-02 at 2.

¹⁶ Exhibit CSO-01 at 4; Exhibit CSO-02 at 2.

¹⁷ Exhibit No.. CSO-02 at 2-7.

due to the CAISO's prior approval of the Collinsville 500/230 kV Substation Project in the 2021-2022 comprehensive transmission plan, the CAISO assumed its continued existence in subsequent CAISO reliability assessments that found thermal overloads to be addressed. Without the Collinsville 500/230 kV Substation Project, the reliability problems the CAISO identified would remain even following the approval of the additional transmission solutions California Forever referenced. Thus, these additional projects did not eliminate the need for the Collinsville 500/230 kV Substation Project.¹⁸ Indeed, the CAISO expert testified that given the load growth currently being observed in the Greater Bay Area, the project's reliability benefits and contribution toward reducing local capacity requirements in the region are even more significant now than they at the time the project was approved in the 2021-2022 transmission plan.¹⁹

The first solution California Forever referenced was the North Dublin–Cayetano 230 kV Line Reconductoring Project, which was intended to address overload risks across the East Bay corridor. The CAISO's expert testified that the CAISO modeled this project in the study cases as part of the 2025-2026 transmission planning process, and it did help address overloads on the North Dublin-Cayetano section of the Contra Costa and Newark 230 kV corridor. However, the CAISO's reliability assessment results showed this line section would still experience overloads in the 15-year planning horizon (2040), and, without the Collinsville 500/230 kV Substation Project, those overloads would increase and could commence much earlier than 2040.²⁰

Second, the CAISO's expert discussed why the CAISO's decision to defer a project consisting of power flow control devices – Lone Tree–Cayetano–Newark Corridor Series Compensation – was not evidence overloads on the Contra Costa and Newark 230 kV corridor were resolved and the Collinsville 500/230 kV Substation Project was no longer needed.²¹ He indicated the CAISO did not model the Lone Tree–Cayetano–Newark Corridor Series Compensation project in the 2025-2026 transmission planning process study cases because of unresolved questions on how these power flow devices would operate as well as uncertainty regarding vendor costs.²² Although these projects would help alleviate overloads on the Contra Costa and Newark 230 kV corridor, power flow control devices are not a long-term solution

¹⁸ Exhibit CSO-02 at 3.

¹⁹ *Id.* at 6.

²⁰ *Id.* at 3.

²¹ *Id.* at 3-4.

²² *Id.* at 4.

given expected load growth and the need for sufficient capacity on parallel paths to which the power flow control devices would shift the power flow. Based on the extent of loading on various line sections in the Contra Costa and Newark 230 kV corridor, such solution likely would be insufficient to address overloads even in the mid-term given load forecasts and the extent of the overloads.²³ Importantly, there are overloads in the long-term that the Lone Tree–Cayetano–Newark Corridor Series Compensation project does not sufficiently address, and without Collinsville Substation, these overloads would be even worse.²⁴ For this reason, the Collinsville 500/230 kV Substation Project remains important to address overloads on the Contra Costa and Newark 230 kV corridor.

Third, regarding California Forever’s argument that battery energy storage can alleviate the overloads on the Contra Costa and Newark 230 kV corridor and replace the need for the Collinsville 500/230 kV Substation Project, the CAISO’s expert witness testified that the CPUC includes battery energy storage resources as part of its resource portfolios, and the CAISO accounts for their impact on transmission operations in the studies performed as part of the transmission planning process.²⁵ The CAISO’s expert witness noted one of the two storage projects referenced by California Forever, the Diablo storage project, is operational, and the CAISO has modeled this project in its studies. Although the Potentia-Viridi storage project is not operational, the CPUC has included it in its resource portfolio and, thus, the CAISO has modeled this project in its transmission planning studies. The CAISO’s expert explained neither of these projects nor other battery energy storage resources included in the CPUC’s resource portfolios have eliminated the reliability need for the Collinsville 500/230 kV Substation Project, which remains part of the overall solution to meet the overloads on the Contra Costa and Newark 230 kV corridor observed in the CAISO’s mid-term and long-term planning studies.²⁶

California Forever attempts to undercut the CAISO’s expert witness’s testimony by baldly asserting in a conclusory manner that the CAISO’s findings are unsupported by modeling and the information is the mere thoughts of an expert.²⁷ As the CAISO’s expert discussed in Sur-Surrebuttal Testimony, the Collinsville substation was modelled in both the mid-term and long-

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ California Forever Opening Brief at 23.

term cases.²⁸ Also as stated in the Sur-Surrebuttal testimony, there are some overloads and high loading in the 230 kV corridor even with the Collinsville project modelled, which shows there will be new overloads and further exacerbate identified long-term overloads without Collinsville.²⁹ The CAISO's expert is a CAISO Transmission Planning Manager who is directly responsible for transmission planning in Northern California in general and the Collinsville Project in particular, not some "mere" expert. California Forever is essentially seeking to substitute its opinion for the experience and technical analysis of the CAISO's experts on these specific types of matters.

California Forever, in its brief, acknowledges transmission planning is "a discipline that requires the entire grid, including power flow, transient stability and reactive voltage support, to be assessed as an integrated system rather than a collection of independently justified components."³⁰ The CAISO's expert is one of a handful of engineers actively working on this modeling. As explained by the CAISO's expert witness, thermal overloads remain a concern in subsequent transmission plans, to which he specifically references the 2025-2026 planning process.³¹ It is unclear what additional modeling California Forever believes the CAISO must provide to show these thermal overloads still exist as it offers no such recommendations, further confirming the conclusory, unsupported nature of its claims.

1. The Commission's Portfolio of Future Resources, Which the CAISO Uses in Its Planning Process, Still Considers Offshore Wind Viable.

California Forever ignores the fact that the Commission's resource portfolios are an input into the CAISO's transmission planning process. Although the CAISO has demonstrated through the prepared testimony of its expert that the Project is needed regardless of the future development of offshore wind, the CAISO's transmission planning process still includes offshore wind as a part of the base case because offshore wind remains in the Commission's resource portfolio transmitted to the CAISO.³² California Forever states, if not for its own evidence submitted, developments at the Federal level regarding offshore wind would not be included in this proceeding.³³ This claim is incorrect. The CAISO's transmission planning process utilizes

²⁸ Exhibit CSO-02 at 3-5.

²⁹ *Id.* at 3-4.

³⁰ California Forever Opening Brief at 25

³¹ Exhibit CSO-02 at 3-4.

³² Exhibit CSO-02 at 6.

³³ California Forever Opening Brief at 20.

base case portfolios of future resources, developed and transmitted by the Commission, and that portfolio considers all these policies. As recently as March 2026, the Commission issued a decision to transmit the most recent portfolios to the CAISO's transmission planning process. In that decision, the Commission considered evidence like that presented by California Forever, and it determined offshore wind would remain in the portfolio of future resources, stating:

In light of recent changes in Federal policy, the Commission's TPP portfolio will reflect some extensions to resources, including for offshore wind, compared to our expectations last year. The assumptions proposed in the ALJ Ruling included Central Coast offshore wind coming online by no later than 2036, and North Coast offshore wind by 2041. It is important to note that this does not mean the entire volumes in each location would be delayed completely until those dates. Rather, the projects, or a portion of them, may come online on the Central Coast during the period 2032 through 2036, with North Coast projects taking slightly longer and coming online between 2036 and 2041.³⁴

In adopting a portfolio that continues to include offshore wind, the decision later states “we believe that the decision achieves the right balance of acknowledging the potential for some delay, while still supporting the projects moving forward.”³⁵ California Forever improperly and mistakenly attempts to use this proceeding for permitting a specific transmission facility to relitigate the CAISO's planning assumptions and the prior decisions of the CPUC in other proceedings. These inputs are settled and considered the purported evidence offshore wind will not be developed in California that California Forever provided in this proceeding.

The CAISO also notes this case is different from the Coolwater-Lugo Transmission Project California Forever cites.³⁶ In that case, the project's need was based on the existence of a specific, existing facility, not a generic resource type, that determinatively was permanently retiring. The CAISO, the project developer, and the Commission all recognized this fact. No such agreement exists here, as the Commission continues to include future offshore wind in its resource portfolio. In any event, as discussed in the CAISO's Testimony and Sur-Surrebuttal Testimony in this proceeding, California Forever cannot overcome the fact the Project is needed even without the development of offshore wind. Offshore wind was merely a tertiary factor supporting the need for the Project.

³⁴ *Decision Requiring 2029-2032 Electric Resource Procurement and Transmitting Portfolios for 2026-2027 Transmission Planning Process*, D.26-02-057 (Feb. 26, 2026), at 67.

³⁵ *Id.* at 129.

³⁶ *In the Matter of the Application of Southern California Edison Company (U338E) for a Certificate of Public Convenience and Necessity for the Coolwater-Lugo Transmission Project*, D. 15-05-040 (May 21, 2015), cited by California Forever Opening Brief at 26.

III. Conclusion

The Commission should approve the Project's CPCN, as the conditions have been met to establish the rebuttable presumption of need in favor of the CAISO's findings, and no party has offered sufficient evidence to rebut that presumption.

Respectfully submitted

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