

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

Order Instituting Rulemaking to Modernize
the Electric Grid for a High Distributed
Energy Resources Future.

Rulemaking 21-06-017
(Filed June 24, 2021)

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING
RESPONSES TO QUESTIONS ON TRACK 1 PHASE 1**

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Dated: May 22, 2023

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits responses to the April 6, 2023 *Administrative Law Judge’s Ruling Directing Responses to Questions on Track 1 Phase 1* (Ruling) by the California Public Utilities Commission’s (Commission). The CAISO provides responses to a subset of questions regarding demand scenarios and consideration of transmission upgrades and costs in utility distribution planning processes (DPP). The CAISO’s comments focus on the importance of coordination among the Commission, the California Energy Commission (CEC), California Air Resources Board (CARB), and the CAISO as the Commission considers changes to processes that affect distribution planning.

II. Responses to Questions on Track 1 Phase 1

A. Demand Scenarios and Planning Horizon

Question 4. Should different demand scenarios, based on the California Energy Commission’s Integrated Energy Policy Report (IEPR) load forecast data and/or other datasets, be used for utility DPP?

Process alignment among the Commission, CEC, CARB, and CAISO staff currently exists and should remain, as it ensures forecasts used in procurement and planning processes across both the transmission and distribution domains reflect the impacts of adopted state policies. This coordination results in a “single forecast set,” which is a set of managed demand

forecasts to be used in planning processes to ensure alignment across processes.¹ The Commission should continue to coordinate demand forecast assumptions under the direction of single forecast set guidelines when selecting demand scenarios to use as a basis for utility DPPs.

The CEC develops and adopts the single forecast set through the Integrated Energy Policy Report (IEPR) process. The Commission uses the single forecast set in its integrated resource plan (IRP) process, resource adequacy program, and distribution planning. The CAISO also uses this forecast set in various planning processes, including its transmission planning process and local and flexible capacity studies.

Coordination among the Commission, CEC, CARB, and CAISO staff ensures the forecasts used in procurement and planning processes and the subsequent feedback loops are aligned. The Commission should recognize the importance of continued use of a single forecast set to align resource planning processes across proceedings. Continued coordination, transparency, and consistency across these processes will promote greater agency and stakeholder understanding of planning and procurement decisions.

Question 4b. How should regional or local demand be considered in the Utilities' DPP in addition to the IEPR forecast?

The Commission should coordinate with the CEC to incorporate assumptions on regional or local demand into the CEC's IEPR forecast, rather than adding additional demand forecast components via a separate process from the CEC's IEPR forecast. As discussed above, coordination among the forecasts used in procurement and planning processes will ensure better consistency across processes and can help promote greater alignment and understanding of planning and procurement decisions across agency and CAISO processes.

Question 5. How would using different demand scenarios in DPP impact other planning proceedings such as General Rate Case and Integrated Resource Planning proceedings?

As noted above, the Commission should continue using a single forecast set to align resource planning processes across proceedings. Because the IRP proceeding uses the CEC's IEPR forecast, using different demand scenarios in DPP outside of the CEC IEPR single forecast set could cause misalignment of planning and procurement decisions between the two

¹ California Energy Commission, Final 2022 Integrated Energy Policy Report Update Volume III California Energy Demand Forecast Update, February 10, 2023, p. 68: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=248735>

proceedings. The Commission should continue to coordinate demand forecast assumptions through the CEC's IEPR under the single forecast set framework when selecting demand scenarios to use as a basis for utility DPPs.

B. Transmission and Load Flexibility

Question 7. How should the scope and cost of transmission and sub-transmission upgrades be considered in utility DPP?

If the IRP and DPP processes utilize the CEC's IEPR forecast consistent with single forecast set guidance, then the CAISO's TPP, which determines transmission needs to support demand and the resources identified through the Commission's IRP process, should also align with these other planning processes, to inform costs in utility DPPs more effectively. Continued use of a single forecast set is important to align resource planning processes across proceedings and feedback loops across proceedings.

III. Conclusion

The CAISO appreciates the opportunity to provide responses to the Ruling.

Respectfully submitted

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