

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

Order Instituting Rulemaking to
Continue Oversight of Electric
Integrated Resource Planning and
Procurement Processes.

Rulemaking 25-06-019

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING
COMMENTS ON ELECTRICITY PORTFOLIOS FOR 2026-2027 TRANSMISSION
PLANNING PROCESS AND NEED FOR ADDITIONAL RELIABILITY
PROCUREMENT**

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Date: October 31, 2025

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I. Introduction

Pursuant to the *Administrative Law Judge’s Ruling Seeking Comments on Electricity Portfolios for 2026-2027 Transmission Planning Process and Need for Additional Reliability Procurement* (Ruling), issued by the California Public Utilities Commission (Commission) on September 30, 2025, the California Independent System Operator Corporation (CAISO) hereby submits reply comments.

The CAISO agrees with several parties that the Commission should adopt the Ruling’s proposed procurement order for 2029-2032. The CAISO also agrees with parties that the Commission should adopt the Ruling’s proposed Limited Wind Sensitivity portfolio for the CAISO to study in its 2026-2027 Transmission Planning Process (TPP). The CAISO opposes California Community Choice Association’s (CalCCA) recommendations that the Commission make certain requests to the CAISO regarding transmission approval. These recommendations are inconsistent with the CAISO tariff and the coordination principles outlined in the Memorandum of Understanding (MOU) among the Commission, CAISO, and California Energy Commission (CEC). Lastly, the CAISO corrects a statement regarding transmission upgrades made by GridLiance West, LLC (GLW) in opening comments.

II. Discussion

A. The Commission Should Adopt the Ruling's Proposed Procurement Order for 2029-2032.

Several parties support the Ruling's proposed procurement order of 6 GW of new effective net qualifying capacity (NQC) by 2032.¹ The CAISO agrees with parties that it is prudent to move forward with a procurement order now, based on the clear and compelling reliability need identified in the Energy Division's need determination analysis. The identified need warrants immediate and proactive action to ensure that developers and load-serving entities (LSEs) have sufficient lead time to complete procurement and development processes.

Some parties propose limiting the procurement order to only 2029 and 2030 and deferring decisions for 2031 and 2032 until more information becomes available. For example, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) recommends the Commission adopt the proposed 1,500 MW of NQC for both 2029 and 2030, but not issue procurement orders for 2031 and 2032.² Similarly, CalCCA proposes limiting procurement to 2,000 MW for 2029-2030 and re-evaluating the need for 2031-2032 procurement in 2027.³

The Commission should not delay or curtail its proposed procurement order. The CAISO supports Energy Division's need determination and agrees with parties that the Ruling's procurement recommendation is a "least regrets" action to pursue at this time.⁴ Deferring action on the full 2029-2032 time horizon introduces risk that new resource procurement and

¹ See Opening Comments of Pacific Gas and Electric Company, p. 11; The Utility Reform Network, p. 2, Solar Energy Industries Association and Large-scale Solar Association (SEIA-LSA), p. 3; California Energy Storage Alliance, p. 10; Clean Power Alliance of Southern California, p. 2; California Environmental Justice Alliance and Sierra Club, p. 23; Environmental Defense Fund, p. 10; Natural Resources Defense Council (NRDC), p. 4; American Clean Power – California (ACP – CA), p. 23; Independent Energy Producers Association, p. 6; NextEra Energy Resources, LLC (NextEra), p. 5; Electricite de France Power Solutions, North America (EDF Power Solutions), p. 6; ENGIE North America, Inc., p. 2; esVolta, L.P. Opening Comments, p. 3; Form Energy, Inc., p. 6; Hydrostor, Inc., p. 5; GreenGenStorage, LLC (GreenGen), p. 10; XGS Energy, Inc. (XGS), p. 7; REV Renewables, LLC (REV), p. 5; Vote Solar, p. 2; and Mussey Grade Road Alliance, p. 7.

² Cal Advocates Opening Comments, p. 7.

³ CalCCA Opening Comments, pp. 6-7.

⁴ ACP – CA Opening Comments, p. 27.

development will not be completed on time, potentially creating capacity shortfalls in future years.

To support its recommendations to limit the procurement order, CalCCA expresses concerns about the Commission’s use of the 2024 CEC Integrated Energy Policy Report (IEPR) forecast. However, the CAISO agrees with NextEra that reliance on the 2024 IEPR forecast is “reasonable and consistent with the interagency agreements to use a single forecast set.”⁵ The 2024 IEPR planning forecast uses middle-range load modifiers from the CEC’s adopted single forecast set. The CEC develops the IEPR forecast through a public process that evaluates data inputs and assumptions to produce a forecast that reflects what is “reasonably expected to occur.”⁶ Although all forecasts carry some degree of uncertainty, the IEPR forecast represents a balanced and reasonable projection of future demand. It is appropriate for the Commission to use this forecast as the foundation for resource planning and determining procurement needs.

B. The Commission Should Adopt a Limited Wind Sensitivity Portfolio.

Several parties expressed support for studying the Limited Wind Sensitivity in the 2026–2027 TPP, recognizing the importance of evaluating potential replacement resources in light of uncertainty surrounding future wind development.⁷ The CAISO agrees that it is prudent to study a Limited Wind Sensitivity to assess how transmission system needs may shift if the resource portfolio includes fewer wind resources in the future. The CAISO continues to support Commission adoption of the proposed Limited Wind Sensitivity portfolio for study in the CAISO’s 2026-2027 TPP.

C. The CAISO Opposes CalCCA’s Recommendations Regarding CAISO Transmission Approval.

In opening comments, CalCCA recommends that the Commission use the CEC’s adopted 2024 IEPR forecast in a sensitivity portfolio and then “request that the CAISO recommend upgrades identified in the sensitivity analysis dependent upon: (1) more up-to-date information

⁵ NextEra Opening Comments, p. 28.

⁶ *Id.*, pp. 28-29.

⁷ See Opening Comments of Southern California Edison Company (SCE), p. 7; San Diego Gas & Electric Company, p. 5; SEIA-LSA, p.3; p.7; Defenders of Wildlife, p. 3; EDF Power Solutions, p. 4; NRDC, p. 5; GreenGen, p. 2; GLW, p. 9; XGS, p. 5; REV, p. 4; Vote Solar, p. 1; The Nature Conservancy, p. 3; and Golden State Clean Energy, LLC, p. 2.

on progress towards data center implementation milestones.”⁸ CalCCA also recommends, “When transmission solutions that can provide multiple benefits are identified through the sensitivity analysis (*e.g.*, reliability *and* policy benefits, or load interconnections *and* generation interconnections), the CPUC should request that CAISO consider taking those mitigations to the CAISO Board of Governors for approval for investment.”⁹

The CAISO is concerned that CalCCA’s recommendations are inconsistent with the CAISO’s transmission planning process as set out in its tariff. CalCCA’s recommendation suggests a new role for the Commission to request transmission approvals to the CAISO based on a sensitivity case. The CAISO clarifies it cannot recommend approval of projects based solely on results of the sensitivity case. The CAISO must identify a need for a project in the base case.¹⁰ Additionally, the CAISO coordinates with the Commission on the TPP according to the MOU, which establishes distinct roles among the Commission, CEC, and CAISO for electric system planning.¹¹ CalCCA’s recommendations do not align with the CAISO tariff or the coordination principles outlined in the MOU. Accordingly, the Commission should reject CalCCA’s recommendations.

D. The CAISO Corrects a Statement by GLW Regarding Transmission Upgrades.

In opening comments, GLW states that “mapped resources at zero-TPD locations do not trigger transmission upgrades, and the areas remain undeliverable cycle after cycle.”¹² This is inaccurate. Under the CAISO tariff and business practices, the CAISO approves policy-driven transmission upgrades when resources included in portfolios transmitted to the CAISO need those upgrades to achieve deliverability.¹³

⁸ CalCCA Opening Comments, p. 3.

⁹ *Id.*, p. 19.

¹⁰ Section 24.4.1 of the CAISO tariff describes the technical studies to be performed by the CAISO to determine needs and proposed solutions. These studies must be done utilizing and in accordance with the Unified Planning Assumptions. The Unified Planning Assumptions and Study Plan, as described in Sections 24.3.1 and 24.3.2 of the CAISO tariff, represent the base case to be used in the CAISO’s planning process.

¹¹ Memorandum of Understanding between CPUC, CEC, and CAISO regarding Transmission Planning and Implementation: <https://www.caiso.com/documents/iso-cec-and-cpuc-memorandum-of-understanding-dec-2022.pdf>.

¹² GLW Opening Comments, p. 2.

¹³ CAISO Tariff Section 24.

III. Conclusion

The CAISO appreciates the opportunity to provide reply comments on the Ruling.

Respectfully submitted

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