

**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 JOINT MOTION FOR ADOPTION OF PHASE 1 SETTLEMENT AGREEMENT**

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Dated: October 30, 2023

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I. Introduction

Pursuant to Rule 12.2 of the California Public Utilities Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits these comments on the September 29, 2023 *Joint Motion for Adoption of Phase 1 Settlement Agreement* (Joint Motion).

II. Discussion

The CAISO appreciates the initiative taken by the parties to the Joint Motion (Settling Parties) to develop a proposal to update General Order 131 (GO 131-D) to expedite the transmission permitting process. The CAISO strongly supports the reforms suggested in the settlement proposal as a means to meaningfully expedite transmission development while maintaining opportunities for appropriate environmental review. In addition, the CAISO offers additional information about the transparency of the CAISO’s transmission planning process (TPP). The CAISO encourages parties to continue to engage with the Energy Division regarding the feasibility of and timelines for implementing these reforms.

Generally, the proposed revisions regarding the California Environmental Quality Act (CEQA) process and the CAISO’s transmission planning findings reflect the significant changes to planning that have taken place since the last revision to GO 131-D. The CAISO submitted opening and reply comments to the Order Instituting Rulemaking to highlight these changes, most notably the CAISO’s own transmission planning process. The Settling Parties recognize that GO 131-D duplicates work performed in the CAISO’s TPP, which can prolong or delay the permitting of critical transmission projects that are needed to support the reliability of the grid

under projected load growth and the planned integration of a significant amount of new renewable generation capacity.

The CAISO develops its transmission plan in coordination with the Commission, utilizing resource portfolios adopted by the Commission as inputs to CAISO study processes. The transmission plan reflects major infrastructure investments required to meet California's long-term clean energy goals and identifies lead-times for those projects, which are typically between eight and ten years. It is in the public interest that the Commission adopt reforms such as those proposed in the settlement to expedite permitting processes. The Commission should recognize the robust and stakeholder-driven work done in other venues, including the CAISO's transmission planning process. The Commission need not duplicate this work and should instead rely on it to support the Commission's own analysis in the permitting process. Such reforms also align with a Memorandum of Understanding (MOU) regarding transmission resource planning and implementation, to which both the Commission and the CAISO are a party to. This MOU emphasizes the need for the timely development of resources, giving weight in the permitting process to projects consistent with the CAISO's transmission plan.

A. The Proposed Reforms Properly Incorporate the CAISO's Findings in the Transmission Planning Process and Reflect New Legislation.

This legislative session, Governor Newsom signed Assembly Bill 1373 into law, establishing "a rebuttable presumption with regard to the need for a proposed transmission project in favor of an Independent System Operator governing board-approved need evaluation..." where certain criteria pertaining to the CAISO's evaluation are met.¹ The CAISO has consistently been an active party in Certificate of Public Convenience and Necessity proceedings. This rebuttable presumption aids in recognizing the significant analysis the CAISO performs during the transmission planning process to select and approve the most cost-effective and efficient projects. The Settling Parties appropriately propose language in Option B that incorporates this legislation into GO 131-D, consistent with the new law.

¹ These criteria include explicit findings regarding the need for the proposed transmission project and the cost-effectiveness of it, the CAISO is a party to the CPCN proceeding, the need evaluation is submitted to the Commission with sufficient time, and there have been no substantial changes to the proposed transmission project as approved by the CAISO.

B. The CAISO's Transmission Planning Process is the Appropriate Venue to Evaluate Electrical Solutions.

A critical aspect of the Settling Parties' proposed revisions that aims to expedite transmission permitting is the suggested reforms to the CEQA review process. Several proposed reforms eliminate duplicative work, such as allowing an applicant to submit a draft CEQA document instead of a Proponent's Environmental Assessment. In addition, the Settling Parties propose to incorporate certain findings from the CAISO transmission plan into the Commission's CEQA process.² As described in the Joint Motion, the CAISO's transmission planning process identifies electrical solutions to meet specific objectives under mandatory reliability criteria. In analyzing transmission system needs and identifying proposed projects, the CAISO considers both transmission and non-transmission alternatives.³ While the CAISO does not consider routing, an issue appropriately left to the CEQA process, the CAISO vets electrical solutions in the transmission planning process through robust modeling and stakeholder input. 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.

The CAISO emphasizes that the transmission planning process also allows a significant amount of stakeholder engagement throughout the process—from the beginning where study assumptions are formed through to where decisions are made on the most cost-effective and efficient electrical solutions. Pursuant to the CAISO's tariff, stakeholders may attend public meetings and provide written and oral comments throughout the various phases of the transmission planning process.⁴ The CAISO makes as much information publicly available as possible that allows for stakeholders to understand the assumptions, study results, draft and final plans. Specific modeling data is also available to interested stakeholders that execute a TPP Non-Disclosure Agreement (NDA).⁵ A comprehensive overview of the transmission planning

² Joint Motion at p.31.

³ See Sections 24.4.5 of the CAISO tariff.

⁴ See, for example, Sections 24.3.2, 24.3.3, 24.4.9, 24.4.10, 24.17.2, and 24.18.3.2 of the CAISO tariff.

⁵ Information on and instructions for the TPP NDA is available at <http://www.caiso.com/Documents/RegionalTransmissionNonDisclosureAgreementSubmissionInstructions.pdf>.

process and opportunities for engagement is available on the CAISO's website at <http://www.caiso.com/Documents/Transmission-Planning-Process-Overview.pdf>.

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the settlement proposal and looks forward to working with parties and the Commission on permitting process reforms that help advance and accelerate the deployment of new clean generation in California.

Respectfully submitted

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