

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

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

Rulemaking 20-05-003
(Filed May 7, 2020)

**OPENING COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON THE ADMINISTRATIVE LAW JUDGE'S RULING SEEKING
COMMENTS ON ELECTRICITY RESOURCE PORTFOLIOS
FOR 2025-2026 TRANSMISSION PLANNING PROCESS**

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Dated: September 30, 2024

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I. Introduction

Pursuant to the September 12, 2024 *Administrative Law Judge's Ruling Seeking Comments on Electricity Resource Portfolios for 2025-2026 Transmission Planning Process* (Ruling), the California Independent System Operator Corporation (CAISO) hereby submits these opening comments to the California Public Utilities Commission (Commission).

II. Discussion

The CAISO appreciates Energy Division staff's efforts to develop the proposed portfolios and busbar mapping for the CAISO's 2025-2026 Transmission Planning Process (TPP). The CAISO supports the proposed base case portfolio because it is consistent with previous integrated resource planning (IRP) portfolios. The CAISO also supports including long lead-time (LLT) resources in the sensitivity portfolio. However, the CAISO cautions that if the base case portfolio does not also reflect the LLT resource volumes studied in the sensitivity portfolio, then the CAISO's 2025-2026 TPP likely will not approve transmission to support these LLT resource volumes. Without approved transmission, the CAISO may not be able to allocate transmission plan deliverability (TPD) to LLT projects in the interconnection queue, potentially impacting project timelines and procurement activities. The Commission should continue to work with the CAISO on options to best align LLT procurement direction with CAISO transmission planning and interconnection processes.

A. The CAISO Generally Supports the Energy Division’s Base Case Portfolio Recommendation.

The CAISO generally supports Energy Division’s proposed base case portfolio for study in the CAISO’s 2025-2026 TPP because it is consistent with previous IRP portfolios. The base case portfolio recommendation is informed by load-serving entity (LSE) plans and meets an annual statewide greenhouse gas emissions target for the electric sector of 25 million metric tons (MMT) by 2035.¹ The proposed base portfolio is generally consistent with the 2024-2025 TPP base portfolio in nearer-term years, with an increase in new resources (primarily solar and storage) after 2035 due to the California Energy Commission’s higher demand forecast.²

The CAISO supports consistency in resource portfolios year over year, especially in nearer-term years. The Commission should establish as much consistency as possible in IRP portfolios over successive years to support certainty in downstream planning processes, including transmission planning, procurement, and interconnection processes. Accordingly, the CAISO supports the Energy Division’s base portfolio recommendation for use in the 2025-2026 TPP.

B. If the Commission Includes Additional LLT Resources in the Sensitivity Portfolio Only, the CAISO Will Likely Not Approve Transmission to Support These Resources.

The Ruling proposes to adopt Energy Division’s recommended sensitivity portfolio. The proposed sensitivity portfolio reflects additional LLT resources to displace LSE-planned resources that the portfolio would have included otherwise. The LLT resources and resource volumes modeled in the recommended sensitivity portfolio are based on the amounts of offshore wind, geothermal, and long-duration energy storage identified in the LLT resource need determination adopted in Commission Decision (D.) 24-08-064.³ The CAISO supports studying these additional LLT resources in the 2025-2026 TPP. However, the CAISO cautions that if these LLT resource volumes are only included in the sensitivity portfolio, and not in the base case portfolio, then the CAISO’s 2025-2026 TPP likely will not approve transmission to support these LLT resource volumes.

¹ Ruling, p. 5.

² *Id.*, p. 7.

³ *Id.*, p. 8.

The base case analysis drives the need for transmission development. In other words, the CAISO approves transmission development based on needs identified in the *base case* portfolio study. Without approved transmission, the CAISO may not be able to allocate TPD to LLT projects in the interconnection queue. Given the lengthy timelines anticipated for major transmission capacity needed to support additional offshore wind resources, a lack of TPD allocation may potentially impact project timelines and procurement activities. The Commission should continue to work with the CAISO on options to best align procurement direction in D.24-08-064 with CAISO transmission planning and interconnection processes.

III. Conclusion

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

Respectfully submitted

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