Submit comment on Issue paper

Initiative: Transmission planning process enhancements

1. Please provide your organizations comments on adjusting the timeline for the release of the draft transmission plan from the end of January to the end of March, targeting approval in each year's May Board of Governors meetings. *

CESA has no comment at this time.

2. Please provide your organizations comments on enabling approvals for major long lead time transmission projects needed beyond the current 10 year planning horizon. *

CESA supports the ISO's consideration of how to enable approvals for major long lead-time transmission projects beyond the current 10-year planning horizon, such that study results such as those from the 20-year transmission outlook can be implemented in practice with actual project approvals and transmission buildout. As the ISO discusses in the Issue Paper, the ISO can avoid rapid transmission buildout needs and identify the need to approve and build larger/major transmission upgrades that will likely have long lead times and more readily accommodate future generation and energy storage in the 2032-2045 period. Otherwise, the current Transmission Planning Process (TPP) framework will focus on smaller transmission upgrades and/or put the state in a difficult situation of ramping up resource and transmission buildout on an incremental and year-by-year basis. Especially with all of California's transmission, distribution, and resource planning processes moving toward higher transportation electrification load forecasts.

As the ISO develops specific proposals, however, CESA raises a number of questions regarding the load forecast allocation and resource mapping methods in scoping and identifying transmission projects for reliability-based and policy-driven projects. It will be important to know the nature, timing, size, and certainty of any "major load increases" to avoid stranded investment costs and to co-optimize for multiple benefits that the transmission investment can provide. For example, while the California Energy Commission (CEC) uses econometric methods to map new electric vehicle (EV) charging infrastructure investments, the actual deployments may differ from these forecasts based on commercial interest, driver needs, and policy guidance or requirements. In addition, the ISO should detail how resource mapping methods will be used on a long-term basis to support the approval of transmission investments beyond the 10-year planning horizon, especially since the current resource mapping methodology may or may not be appropriate for longer-term expectations. For example, commercial interest may be more speculative on a beyond 10-year outlook, and the siting and characteristics of energy storage resources may evolve over time (*e.g.*, co-location versus standalone, duration) because most developers are likely planning for commercial operations within the 10-year window.

Understandably, such questions will be better answered in coordination with the CEC and California Public Utilities Commission (CPUC), who are responsible for developing the appropriate input

assumptions within their respective domains. As CESA sees it, having a better understanding of these load forecast and allocation methods (CEC) and resource mapping methods (CPUC) will inform the development and assessment of ISO proposals regarding the criteria and approval of long lead-time transmission projects.

3. Please provide your organizations comments on retaining policy-driven transmission upgrade capacity for the specific policy purpose for which it was developed. *

CESA generally supports the consideration of proposals around the retention of policy-driven transmission upgrade capacity, which the ISO argues would ensure that the TPP is directly linked to interconnection requests or with procurement activities of a large number of load-serving entities, better ensuring the achievement of policy objectives.

However, while generally supportive of the consideration of this issue and solutions, CESA emphasizes the importance and need to align with non-discriminatory principles and maintain technology neutrality when identifying such policy-driven transmission investments. In this sense, the CAISO should coordinate closely with the CPUC to ensure that any policy-driven resources identified in the Integrated Resource Planning (IRP) process are transmitted to the CAISO TPP with resource attributes rather than specific resource types in order to define the policy goal in a way that aligns with non-discriminatory principles. In doing so, the CAISO may not need to retain transmission capacity for a specific resource type for a specified period of time but for any resource type that can meet the identified attributes (*e.g.*, generation/storage profile, capacity factor, dispatchability), regardless of whether the resource is a long lead time resource or not. In addition, given the fact that CPUC resource portfolios can change over time based on modeling inputs and assumptions or other factors, the CAISO and CPUC should coordinate on the criteria for determining the identification and approval of transmission investments that would be reserved for any resource type that provides certain resource attributes.

Furthermore, CESA recommends that the ISO ensure that any retention of policy-driven transmission upgrade capacity incorporate elements related to commercial viability (similar to all other resources in the interconnection queue) and differentiate between whether proposals are addressing existing or incremental transmission capacity. With the adoption of the 24-slice proposal in the CPUC's Resource Adequacy (RA) docket (R.21-10-002), there may also be considerations around how deliverability methodologies need to be modified to best utilize the transmission capacity enabled by these policy-driven upgrades, beyond just the peak and net peak hours, which could potentially still allow for transmission capacity to be retained for a given policy goal and enable greater utilization of the new transmission capacity in other hours from various other resources.

As the ISO develops proposals on this issue, we recommend that the ISO consider the above comments to ensure alignment with non-discriminatory principles while still meeting identified policy goals.

4. Please provide additional comments your organizations has on the transmission planning process enhancements initiative. *

CESA has no further comment at this time. We support the scope of the initiative and look forward to reviewing the ISO's proposals and participating in this initiative.