



Submit comment on Straw proposal

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 does not oppose the ISO's proposal to extend the timeline for the Draft Transmission Plan, thereby shifting the Transmission Planning Process (TPP) timeline by a couple months and impacting the approval of the Final Transmission Plan. However, given the need to ensure timely transmission approvals, we encourage the ISO to strive to meet the original timeline, or identify changes to studies and processes to return to the original timeline for the next TPP cycle.

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

With no changes from the proposal detailed in the Issue Paper, CESA generally supports the Straw Proposal regarding long lead-time transmission projects in terms of how the ISO will work with the other agencies (CEC, CPUC) on developing long-term (*i.e.*, 15+ year) forecasts. However, without further detail on the uncertainty analysis of load or resource needs and location for transmission needs, it is hard for stakeholders like CESA to provide meaningful feedback. To the degree possible, CESA requests that the ISO detail its criteria on the uncertainty analysis and thresholds (if any) as to whether the ISO would move forward with a long lead-time transmission project. Non-wires alternatives such as energy storage can also play a role in mitigating this uncertainty given its potential as a multiple-use resource (generation or transmission) – a mitigation measure that should be explored in this initiative. The allocation and mapping methodology will also inform the uncertainty analysis, so CESA will engage in the relevant CEC and CPUC processes to understand and shape them.

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

In the Straw Proposal, the ISO mostly provided key clarifications and offered suggestions on a proposal for retaining policy-driven transmission upgrade capacity. For CESA, while not opposing the retention of transmission upgrade capacity for a specific policy purpose, we were most concerned with how the specific policy purpose would be defined in a way that is non-discriminatory and open access. To this end, CESA focused our comments on the Issue Paper on how such transmission upgrades should be retained for specific policy-based resources using technology-neutral attributes. In response in the Straw Proposal, the ISO agreed that it should avoid technology specificity where possible in the ISO's Tariff, but still deferred to how "resources" are specified by state policies and authorities. CESA appreciates the clarification with the focus on attributes-based consideration and understands that this matter will need to be addressed and defined in the CPUC's Integrated Resource Planning (IRP) processes.

Given that specific resources or resource types for policy-driven transmission upgrade capacity is outside the ISO's control, CESA believes that it is important to ensure market-efficient use of new transmission upgrade capacity. Since the in-service date of new transmission upgrade capacity and the online date of new policy-driven resources are difficult to perfectly align, all other resources should be able to leverage this transmission capacity (*i.e.*, interim deliverability) until the policy-driven resource for which the transmission capacity is retained comes online. We greatly appreciate the ISO's clarification and affirmation in this regard, as well as those affirming the open use of excess capacity, release reserved capacity if future portfolio changes reduce or eliminate the need for the reservation, and time-limited reservation period (*e.g.*, 7 years). Having off-ramp criteria and processes and maximizing the use of the new policy-driven transmission upgrades in terms of capacity and time period represent critical details for this proposal.

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

As part of this initiative, CESA proposes an additional issue for consideration regarding how economic transmission projects could be requested and studied in the TPP to better support battery storage development in local areas, where energy storage is often limited by insufficient local generation and transmission constraints to access system generation energy. As a result, limits are placed on energy storage charging in local areas under contingency scenarios and caps are placed on how much four-hour energy storage can support Local Capacity Requirement (LCR) needs on a one-for-one basis. Instead, these limits could be addressed through greater generation capacity located in the local area and/or longer-duration energy storage resources, but it may also be addressed through transmission upgrades to increase the system charging capabilities for the energy storage resources. However, to CESA's knowledge, such studies or projects for local energy storage resources cannot be requested in the TPP or the generator interconnection process. We request that the ISO consider this proposal in this initiative.