

September 15, 2021

Marybel Batjer
President, California Public Utilities Commission
555 Van Ness Ave.
San Francisco, CA 94102

Elliot Mainzer,
CEO, California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

David Hochschild,
Chair, California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

VIA EMAIL

Re: Request for Action on Transmission Upgrades

Dear President Batjer, Chair Hochschild, and Mr. Mainzer,

As you work to address current reliability challenges in the face of extreme heat, drought, and growing demand, we urge you to expand transmission capacity to meet mid-term reliability needs and to mitigate future reliability challenges.

Near-term transmission approvals will be critical to meeting the ambitious goals in the CPUC's recent procurement order of 11,500 MW of net qualifying capacity (NQC) by 2026 and potential additional procurement before the end of the decade. The latest procurement studies suggest that to achieve the 11.5 GW of NQC by mid-decade, the state will need to bring online nearly 25,000 MW of new nameplate capacity by 2026 – capacity that must be able to deliver to load. The existing transmission system is incapable of meeting this identified need.

We urge action on two types of transmission approvals that will be necessary to meet procurement requirements and facilitate delivery of new, clean capacity:

1. Accelerate development of transmission projects already approved by the CAISO. Significant new renewable and storage capacity could be supported through development of several CAISO-approved upgrades that have been delayed by transmission owners and have not yet been brought to the CPUC and/or received final approval.¹ The problem is especially acute in PG&E's service territory. While PG&E recently issued a status

¹ Depending on the project, some of these projects could only require a simple Notice of Construction (NOC), rather than a full Certificate of Public Convenience and Necessity (CPCN)

update² on the projects indicating some progress, more transparency, accountability, and enforcement is needed.

2. Include and approve several cost-effective and timely “no-regrets” transmission upgrades in CAISO’s current 2021-2022 Transmission Planning Process (TPP). As multiple parties have stated in the IRP proceeding, the original CPUC TPP resource portfolios conveyed to the CAISO are out of date due to the June 2021 mid-term reliability ruling, limiting the scope of the scenarios and identification of needed new transmission projects. More recent information indicates that such upgrades could greatly increase deliverability for needed generation and storage projects at a reasonable cost and within the time horizon needed for compliance with that order.

Specifically, the CAISO’s July 19 white paper, *Transmission Capability Estimates for use in the CPUC’s Resource Planning Process*, included updated transmission capability estimates and expansion costs for use in the CPUC’s resource planning process, and this document can provide information for use in updating the earlier portfolio estimates.³ The document shows that several transmission upgrades, in areas such as the Central Valley, desert, Imperial Valley, and San Diego areas, and on North/South pathways, would support high MW capacity at relatively low cost, and demonstrate completion timelines of 5 years or less. Other upgrades meeting these criteria should also be considered.

Collectively, our associations consider these to be ‘no regrets’ upgrades that are achievable and necessary to deliver the required reliability and GHG-reduction resources by 2026. Therefore, it is critical that these upgrades be included in the current TPP cycle and not deferred to later cycles.

To help ensure action on the upgrades, we recommend that the CPUC indicate unambiguous support for CAISO to analyze and approve them as part of the 2021-22 TPP.

Both the CAISO-approved projects and projects meeting our recommended criteria for TPP approval generally use existing rights of way and would not require transmission lines in new areas. Thus, they would likely have minimal environmental impacts and can be accomplished in a reasonable timeframe.

These projects could facilitate near-term renewable energy development, including the associated jobs and tax benefits. While these recommendations are critical for action in the 2021-2022 TPP cycle, our organizations also recognize that additional transmission expansion will be necessary, and we encourage ongoing coordination between the state energy agencies and CAISO to ensure robust transmission planning to facilitate longer-term reliability and decarbonization objectives.

² <http://www.caiso.com/Documents/UpdatedPG-EPresentation-GeneratorInterconnectionUpgrades.pdf>

³ Posted at <http://www.caiso.com/Documents/WhitePaper-2021TransmissionCapabilityEstimates-CPUCResourcePlanningProcess.pdf#search=%22transmission%20capability%22>.

The urgent need for the two actions above – avoiding delays and expediting CAISO-approved transmission upgrades, and broadening TPP consideration of new upgrades in this planning cycle – cannot be overstated. California is today experiencing extreme climate impacts forecast to occur decades from now, and access to clean power is key to mitigating these impacts.

Though California is a leader in climate policy, failure to plan for the infrastructure upgrades needed to deliver clean energy threatens system reliability and hinders progress in the fight against climate change. Now it is time to lead by actions. The transmission approvals we seek will provide much-needed grid reliability, enable decarbonization of the electricity sector, and strengthen the state's economy.

Please contact us if you have questions. Thank you for your consideration.

Sincerely,

Shannon Eddy
Large-scale Solar Association

V. John White/Jim Caldwell
Center for Energy Efficiency and Renewable Technologies

Jan Smutny-Jones
Independent Energy Producers

Danielle Osborn Mills
American Clean Power – California

Cc:

Ana Matosantos, Cabinet Secretary, Office of Governor Newsom
Alice Reynolds, Senior Advisor for Energy, Office of Governor Newsom
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Commissioner Siva Gunda, CEC
Commissioner Cliff Rechtschaffen, CPUC
Neil Millar, Vice President of Transmission Planning and Infrastructure Development, CAISO