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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

**ADMINISTRATIVE LAW JUDGE'S RULING
SEEKING COMMENTS ON PORTFOLIOS TO BE USED
IN THE 2021-22 TRANSMISSION PLANNING PROCESS**

Summary

This ruling seeks comments from parties on electric resource portfolios to be used in the California Independent System Operator's (CAISO's) 2021-22 Transmission Planning Process (TPP) which will begin in early 2021. This ruling includes three attachments, with recommendations from Commission staff:

- A. Framework for TPP Portfolio Selection.
- B. Descriptions of the Proposed Portfolios for the 2021-22 TPP.
- C. Methodology for Resource-to-Busbar Mapping and Assumptions for the 2021-22 TPP.

Comments from parties on these materials are requested to be filed and served in response to this ruling no later than November 10, 2020, with reply comments requested no later than November 20, 2020.

1. Background

Under longstanding agreement between the Commission, the California Energy Commission (CEC), and the CAISO, and according to the terms of the CAISO tariff, every year the two Commissions recommend to the CAISO base case electricity resource portfolios to be used as key inputs to the TPP, typically

including a base case portfolio for reliability and another that is policy driven. In addition, the Commission also usually requests one or more sensitivity analyses designed to help inform future planning.

2. Discussion

This ruling includes three attachments designed to solicit feedback from parties on the general approach the Commission will take in recommending portfolios to the CAISO for TPP purposes; the specific portfolios that are under consideration for the upcoming 2021-22 TPP; and the resource-to-busbar mapping methodology and assumptions that will be used to develop the final portfolios and guidance that will be transmitted to the CAISO.

Attachment A to this ruling contains a recommended framework for selection of portfolios to inform the development of the CAISO's TPP scenarios. The intent of this document is to guide the Commission's portfolio recommendations annually (for this and future TPP cycles), increasing both the amount of structure and transparency in the process.

Attachment B contains descriptions of the portfolios recommended by Commission staff for the 2021-22 TPP. Commission staff recommend utilizing a 46 million metric ton (MMT) target by 2030 to reflect the portfolio adopted as the reference system portfolio in Decision 20-03-028, but updating it with more recent data and assumptions (from the CEC's 2019 Integrated Energy Policy Report), as both the reliability and policy-driven base case. Two policy-driven sensitivities are also recommended to inform future planning efforts. One policy-driven sensitivity portfolio is designed around the target of 38 MMT by 2030, a potential electric sector target for which load serving entities have recently submitted plans. The second policy-driven sensitivity portfolio is designed to obtain improved transmission capability and upgrade cost estimates

for certain area on the CAISO system not previously studied, to aid in the modeling of offshore wind as a candidate resource in the future.

Attachment C is an updated version of the methodology produced for the previous TPP cycle,¹ detailing how resources will be mapped to specific locations on the transmission system. Attachment C augments the specific approaches for mapping battery storage resources and non-battery resources. Assumptions are also included with respect to thermal generation retirement.

Parties are invited to comment on all three documents in response to this ruling. A proposed decision will come before the full Commission in early 2021 to adopt the final recommendations for portfolios to forward to the CAISO for the 2021-22 TPP. Parties are also invited to respond to the specific questions included in Section 2.1 below in filing their comments in response to this ruling.

2.1. Questions for Parties

1. Please comment on Attachment A, the Framework for TPP Portfolio Selection, and recommend any changes that should be made; explain your rationale.
2. Do you recommend any changes to the proposed Base Case portfolio in Attachment B? If so, provide justification for your recommended changes.
3. Do you recommend any changes to the proposed Policy-Driven Sensitivity portfolios in Attachment B? If so, provide justification for your recommended changes.
4. Do you agree with the Resource-to-Busbar Mapping Methodology guiding principles in Attachment C? If not, explain why. Are there other principles that should be added?
5. Commission staff has proposed various improvements to the March 30, 2020 version of the Methodology (in Attachment C), and alongside these, has raised “alternative options” for

¹ The most recent version of the busbar mapping methodology was released on March 30, 2020 by Commission staff.

consideration. Should any of the alternative options replace the proposed approach, or do you have other options that should be used instead? If so, clearly specify which topic(s) you are referring to and explain your reasoning.

6. Do you recommend any further changes to the non-battery mapping steps in Attachment C? What changes and why?
7. Do you recommend any further changes to the battery mapping steps in Attachment C? What changes and why?
8. Do you recommend any changes to the Busbar Mapping Criteria & Implementation section of Attachment C? What changes and why?

IT IS RULED that:

1. Interested parties may file and serve comments in response to this ruling, its attachments, and the questions included in Section 2.1, by no later than November 10, 2020.

2. Interested parties may file and serve reply comments in response to this ruling and the responses of other parties by no later than November 20, 2020.

Dated October 20, 2020, at San Francisco, California.

/s/ JULIE A. FITCH
Julie A. Fitch
Administrative Law Judge