

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



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

Rulemaking 20-05-003

**REPLY COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION
AND LARGE-SCALE SOLAR ASSOCIATION ON THE
PROPOSED DECISION TRANSMITTING ELECTRICITY RESOURCE PORTFOLIOS
TO THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
FOR 2025-2026 TRANSMISSION PLANNING PROCESS**

LARGE SCALE SOLAR ASSOCIATION
Shannon Eddy
Executive Director
2501 Portola Way
Sacramento, California 95818
Telephone: (415) 819-4285
Email: shannon@large-scalesolar.org

SOLAR ENERGY INDUSTRIES
ASSOCIATION
Jeanne B. Armstrong
Senior Regulatory Attorney
Sacramento, California
Telephone: (916) 276-5706
Email: jarmstrong@seia.org

Hillary Hebert
HMH Energy
Telephone: (303) 550-5037
Email: hillary@hmhenergy.com

Consultant to LSA

R. Thomas Beach
Crossborder Energy
2560 Ninth Street, Suite 213A
Berkeley CA 94710
Telephone: (510) 549-6922
Email: tomb@crossborderenergy.com

Consultant to SEIA

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Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Solar Energy Industries Association (SEIA) and the Large-scale Solar Association (LSA) (collectively the “Joint Solar Parties”) provide reply comments on the *Proposed Decision Transmitting Electricity Resource Portfolios to the California Independent System Operator for the 2025-26 Planning Process* issued in the above captioned proceeding on January 30, 2025 (“PD”).

I. INTRODUCTION

Based on review of Opening Comments, the Joint Solar Parties are concerned that the PD’s direction to the California Independent System Operator (“CAISO”) regarding deliverability reservations is premature and ill-defined. The Joint Solar Parties make the following recommendations:

- A. The Commission should carefully consider and thoroughly justify its direction to CAISO regarding which technologies should qualify as Long Lead-Time (“LLT”) resources.
- B. The Commission should explain the need for deliverability reservations.
- C. Deliverability reservations for any group of resources should be limited to new transmission approved for that group.
- D. Eligibility for deliverability reservations should be based on logical, transparent criteria and rooted in an analysis of the base case portfolio

II. RESERVATION OF DELIVERABILITY

A. The CPUC Should Carefully Consider and Thoroughly Justify its Direction to CAISO Regarding Which Technologies Should Qualify as LLT Resources

The PD's guidance regarding which resource types should qualify for priority treatment in CAISO's deliverability allocation process is unclear and lacks justification. It suggests a loose definition of LLT resources and then establishes a few technology types that qualify without providing justification for why the selected resources match the eligibility criteria.¹ Stakeholders generally agree that the Commission must work with CAISO to ensure alignment between the resource types in the portfolio and the transmission that they trigger, but they disagree on the deliverability reservation approach. At a minimum, the Commission's final order at least needs more clarity on the important issue of deliverability allocation.

Opening comments reflect the PD's failure to provide clear guidance. For example, CAISO expresses concern about the lack of clarity and offers to provide its own methodology to fill the void if the Commission cannot provide more detail.² Other stakeholders provide the following critiques of the PD's guidance and offer alternative proposals regarding LLT resource eligibility:

- The Commission should more clearly distinguish between resources that are eligible for deliverability capacity reservation and the specific resources for which it will request capacity reservation (CalWEA).
- The Commission should more clearly define LLT resources, as the geographic limitation criteria is ineffective (Engie).
- The PD should request that CAISO enable other resource types to access reserved deliverability should the offshore wind or other LLT resources not materialize (Terra-Gen).
- The PD must better classify resources that cannot meet portfolios levels as LLT for the CAISO's scoring system (CalCCA).

These diverse perspectives deserve more attention. The Joint Solar Parties recognize that some deliverability reservations may be needed to maintain portfolio diversity, and that CAISO has the authority to implement them. However, the Commission and CAISO have failed to

¹ PD, p. 54.

² CAISO Opening Comments, p. 4.

sufficiently establish clear eligibility criteria, explain the need for deliverability reservations for those resources, or provide transparent analysis for resource eligibility.

B. Deliverability reservations for any group of resources should be limited to new transmission approved for that group.

The Commission should not recommend that CAISO reserve deliverability for a specific resource type unless that resource type has triggered new transmission (and, even then, the need for any reservations has not been established). The PD recommends that CAISO should reserve existing or already-approved transmission for 65% of the in-state and OOS wind in the proposed base case portfolio.³ The PD provides no indication of how this reservation for increased volumes of in-state and OOS wind would impact the viability of resources for which the existing or already-approved transmission was originally approved. The deliverability reservation process should not prevent the development of resources for which transmission was approved in previous cycles, especially when the Commission is simultaneously directing the CAISO to delay approval of new transmission for OOS wind. Reserving deliverability without also creating new transmission creates a bottleneck that will prevent the state from realizing the full diversity of all of the resource types in its proposed portfolios.

The impacts of reservations will be exacerbated by recent CAISO tariff changes limiting new project entry into the interconnection queue based on available deliverability. Thus any deliverability reservations for LLT resources will not only impact projects in the queue seeking deliverability, but will also prevent new projects from being accepted into the queue for study.

C. Eligibility for deliverability reservations should be based on logical, transparent criteria and rooted in an analysis of the base case portfolio.

LLT eligibility should be based on logical, transparent criteria. Both the Joint Solar Parties⁴ and CalCCA⁵ recommend in opening comments that the Commission should rely on the resource portfolios to determine which resources need priority treatment at CAISO. CalCCA

³ The PD states that “[c]onsidering the amount of in-state and OOS wind in development and in the portfolio that can take advantage of existing or already-approved transmission, we will ask the CAISO to reserve deliverability for 65 percent of these resources in this TPP, specifically excluding the mapped resources with potential transmission upgrades identified for further study and those mapped as energy only, until we have time to reevaluate the additional transmission needed. See PD at p. 54.

⁴ Joint Solar Parties Opening Comments, pp. 6 - 8.

⁵ CalCCA comments, pp. 8 – 10.

recommends comparing the portfolio to the progress of projects in the queue while the Joint Solar Parties recommend comparing the portfolio to the progress of projects signing PPAs. This type of process provides a technology-neutral, analysis-based framework for the Commission to follow to determine which resources need deliverability reservations at CAISO. The results may or may not be similar to what the Commission has already proposed, but in either case it would be based on a logical, replicable approach. The Preferred System Plan process provides a robust analysis of the diversity that is needed to achieve the most cost-effective resource portfolio. The Commission's LLT eligibility criteria should be rooted in this thorough analysis to ensure that the right resources have access to deliverability at CAISO at the right times.

D. The Commission has not explained the need for deliverability reservations at all.

Furthermore, the PD fails to justify reservations of deliverability at all, given past Commission procurement directives like the Mid-Term Reliability decision⁶ and forthcoming directives expected from the IRP's procurement track. For example, under CAISO rules⁷:

- Generation/storage projects with executed Power Purchase Agreements (PPAs) have first priority in the deliverability allocation process.
- Executed PPAs are required for most other projects to retain their deliverability allocations.
- Executed PPAs are required to extend on-line dates in many or most instances.
- Executed PPAs continue to be required for most new generation/storage projects to obtain financing and proceed to construction.

Assuming most PPAs executed by Commission-jurisdictional Load-Serving Entities will follow the directives of the Commission's IRP process, they should generally reflect the make-up of the Preferred System Plan and related portfolios used by CAISO to build transmission.

Thus, even if non-LLT resources obtain deliverability allocations in excess of their targets in the IRP process, they will be unable to retain those allocations, extend their timelines, or proceed to construction without executed PPAs, and they will lose their allocations or exit the queue entirely, leaving their deliverability for use by LLT resources and any other under-

⁶ Decision 23-02-040 Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and transmitting Electric Resource Portfolios to CAISO for 2023-2024 TPP dated February 23, 2023.

⁷ See CAISO Tariff Section DD at: [appendix-dd-generator-interconnection-deliverability-allocation-procedures-as-of-dec-17-2024.pdf](#)

represented technologies in the Commission portfolios. The Joint Solar Parties recommend that the Commission consider this concept more fully in the IRP procurement track or in the forthcoming Renewable and Clean Power Procurement Program proposal.

In sum, California needs a logical, transparent process for deliverability reservations that is consistent with both the CAISO's interconnection reforms and the Commission's IRP planning and procurement processes. Valuable deliverability on the state's transmission system should not be allocated based on periodic party comments on PDs such as this one.

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Respectfully submitted,

/s/ Jeanne B. Armstrong⁸
Jeanne B. Armstrong
Senior Regulatory Attorney
Sacramento, California
Telephone: (916) 276-5706
Email: jarmstrong@seia.org

⁸ Pursuant to Rule 1.8, the representative of SEIA has authorization to sign these comments on behalf of the Large-scale Solar Association.