

**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

NOT CONSOLIDATED

Order Instituting Rulemaking to Oversee
the Resource Adequacy Program,
Consider Program Reforms and
Refinements, and Establish Forward
Resource Adequacy Procurement
Obligations.

Rulemaking 21-10-002

**CALIFORNIA WIND ENERGY ASSOCIATION
NOTICE OF EX PARTE COMMUNICATION**

August 3, 2023

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NOTICE OF EX PARTE COMMUNICATION**

Pursuant to Rule 8.4(a) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Wind Energy Association (“CalWEA”) hereby gives notice of the following communication:

DATE, TIME AND PLACE OF COMMUNICATION: August 3, 2023 from 11:30 a.m. to Noon by WebEx audio conference.

WHO REQUESTED THE COMMUNICATION: Nancy Rader, CalWEA.

NAMES AND TITLES OF NON-CPUC PERSONS PRESENT: Nancy Rader, Executive Director, CalWEA.

NAMES AND TITLES OF CPUC PERSONS PRESENT: Kerry Fleisher and Karolina Maslanka, Advisors to President Alice Reynolds.

BRIEF DESCRIPTION OF COMMUNICATION: CalWEA discussed the topics addressed in the presentation attached.

WRITTEN MATERIAL PROVIDED: See presentation attached.

Respectfully submitted,

/s/ Nancy Rader

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August 3, 2023

Importance of CAISO Deliverability Methodology Reform to Achieving the CPUC's Reliability and SB 100 Goals

**Nancy Rader, Executive Director
California Wind Energy Association**

Ex Parte Presentation
Commissioner Reynolds' Office
August 3, 2023





Overview

CAISO is in early stage of stakeholder process to consider reforms to its deliverability methodology. Fundamentally, the question is:

What is the right balance between adding capacity to the system to meet our reliability & SB 100 goals and meeting reliability req'ts?

Reliability requirements can be met while adding substantially more capacity onto the existing grid (and each new transmission upgrade)*

This empirical question can readily be tested

Enabled added capacity will increase system reliability and reduce curtailments

* See proposed reform framework submitted to CAISO by CalWEA, BAMx, and CESA. Available at: <https://stakeholdercenter.caiso.com/Comments/AllComments/752668bc-f8b9-4a78-9889-4d22246c5697#org-20fe4a5b-d075-4582-a884-791c3ec56ac0>



Relevance to CPUC's Reliability and SB 100 Goals

- **Reform would immediately expand available TPD capacity**
 - Address the current RA shortfall & ensure achievement of MTR goals
 - Expand competition and lower costs
 - Competition could focus on project attributes and cost rather than TPD capacity
- **Reform would bridge the 10-year gap before planned upgrades will come online**
 - Especially important for development of Central Coast offshore wind
- **More efficient use of existing /new Tx assets would reduce transmission needed to achieve SB 100 goals**
 - Substantially reduce \$30 billion estimated cost, containing rising TAC rates
 - Electricity rate affordability is key to electrifying building and transportation sectors
- **Earlier climate action is more valuable**



Addressing Reliability Concerns

- **There are no NERC guidelines for generation deliverability studies**
 - System reliability is addressed by the CPUC RA program, the CAISO TPP, and CAISO GIP reliability studies (which could be expanded)
- **Other RTOs (PJM/MISO) use much less stringent studies**
- **Weather-related stress conditions have been the primary reliability concern in recent years**
 - The August 2020 rolling blackouts and September 2022 stress conditions were caused by extreme weather and a shortage of resources available in the evening net peak. Transmission limitations were not a key driver.
 - Reform will enable **GWs** of RA resources to become commercially viable and come online
 - Added enabled storage resources will reduce renewable energy curtailments and congestion



The Reliability Impact of Reform Is an Empirical Question

- **CAISO can test reliability under MISO's much less stringent deliverability methodology**
 - Use the generation dispatch levels aligned with resources' qualifying capacity credit (rather than much higher, arbitrarily selected levels that are not being relied on for the RA program)
 - Use N-0/N-1 (rather than N-2) transmission outage contingencies
 - Test the outcome for compliance with NERC/WECC reliability standards
- **Given the enormous beneficial implications of reform and making more efficient use of transmission assets, studying a reformed approach is warranted**



Transmission Planning Reforms Are Also Needed

- **Deliverability reforms will substantially reduce needed transmission, but recently approved and additional new transmission will still be needed on an expedited basis**
 - SB 1020 accelerated SB 100 goals to 90% by 2035 / 95% by 2040
- **Two critical transmission planning reforms:**
 - **CPUC must ask CAISO to plan with the assumption that local-area gas plants are not available**
 - Actual retirement / strategic reserve decisions can be made separately
 - Without this assumption, CAISO will continue to find local-area transmission and storage solutions uneconomic, perpetuating and increasing reliance on gas plants
 - **CPUC should assume that CAISO-planned transmission is “needed”**
 - Legislation needed to enable “rebuttable presumption” or (better yet) simply eliminate the secondary review
 - Avoiding secondary review could shave up to three years off the timeline to plan/construct new transmission infrastructure
 - Secondary review has not, to our knowledge, resulted in a “not needed” finding