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CalWEA Comments Following Workshop on SB 846 Reliability Assessment and Clean Energy Reliability Investment Plan

Additional submitted attachment is included below.

California Wind Energy Association

February 2, 2023

California Energy Commission
Docket No. 21-ESR-01
Docket Office
1516 Ninth Street
Sacramento CA 95814

Submitted Electronically via CEC website to Docket 21-ESR-01

Re: Comments Following January 20, 2023, Workshop on SB 846 Reliability Assessment and Clean Energy Reliability Investment Plan

The California Wind Energy Association (CalWEA) appreciates this opportunity to comment on the January 20, 2023, workshop, regarding Senate Bill 846, Dodd, 2022 (SB 846), which requires the Commission to evaluate the prudency of extending the Diablo Canyon power plant to at least 2030 and to provide an overview of the proposed priorities for the Clean Energy Reliability Investment Plan (Plan). The Plan is intended, in part, to accelerate the deployment of clean energy resources and to include the Commission's recommendations on initiatives that would support the state's clean energy future and reliability.

In addressing these issues, CalWEA strongly encourages the Commission to highlight the importance of the capacity of the CAISO grid to interconnect the clean energy resources we are counting on with "deliverability" status, which is vital to the development of these resources because that status is required to qualify under the CPUC's Resource Adequacy (RA) program and carries great value. During the workshop, staff stated, in response to a question posed by CalWEA in the chat function, that one of the limitations of the Commission's analysis is that it assumes 100% deliverability. This assumption is a shaky one.

Many project development companies that were expecting to receive allocations of transmission deliverability capacity (TPD) from the CAISO are finding that such capacity is unavailable or not assured for their projects with commercial on-line dates in the mid-decade timeframe.[1] Similarly, load-serving entities (LSEs) have made clear that they are encountering obstacles to timely procurement of RA resources in the mid-term timeframe.[2] The CPUC has also acknowledged that

[1] *Ibid.* See, e.g., the January 4, 2023, comments of CalWEA and the California Energy Storage Alliance in response to CAISO's "Generation Deliverability Challenges" paper.

[2] See, e.g., the California Community Choice Association's (CalCCA) January 31, 2023, comments in this docket providing evidence of "razor thin" RA supply margins. Also see CalCCA's October 6, 2022, Reply Comments in CPUC docket R. 20-05-003 where CalCCA asks for non-compliance waivers for the existing 11.5-GW mid-term reliability requirement, noting that "LSEs fac[e] severe market constraints."

"tight market conditions led to high capacity prices" and some LSE deficiencies.[3] This situation is likely due in significant part to resource developers' inability to obtain deliverability status for their projects.

This capacity shortfall situation underscores the need to study and implement reforms of CAISO's deliverability assessment methodology, a process that CAISO is initiating this year.[4] CalWEA encourages the Commission to highlight the importance of maximizing the efficient and reliable use of the grid, and thus the importance of the CAISO's planned initiative addressing potential reforms of its deliverability assessment methodology, both in the 2024-25 timeframe and continuing until significant new transmission is planned and built.

CalWEA has documented that CAISO's deliverability assessment methodology is much more conservative than the methodologies used by other independent grid operators.[5] CalWEA believes that reform could substantially increase the amount of available TPD capacity in the mid-decade timeframe and beyond, until substantial additional transmission capacity is built.

Obtaining some visibility on the magnitude of the TPD capacity shortage would be very valuable as the Commission considers reliability in the context of the timeline for Diablo Canyon's potential retirement. To accelerate the deployment of clean energy resources, the Commission should highlight the importance of CAISO's initiative on deliverability reform. Reform could significantly ease the state's reliability challenges regardless of when Diablo Canyon is retired.

Sincerely,

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[3] See CPUC "Proposed Decision on Proposed Decision Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to California Independent System Operator For 2023-2024 Transmission Planning Process" in R.20-05-003, issued on January 13, 2023 at p. 24.

[4] See https://stakeholdercenter.caiso.com/StakeholderInitiatives/Generator-deliverability-challenges.

[5] *Ibid.* See CalWEA's January 4, 2023, comments in response to CAISO's "Generation Deliverability Challenges" paper (question 4).