

**Offshore Wind California Comments on
CAISO Draft 20-Year Transmission Outlook
February 22, 2022**

Chapter 1: Introduction

Offshore Wind California (“OWC”) is a trade group of more than 40 companies, including offshore wind developers, technology providers, and consultancies committed to the responsible development of offshore wind power in California. OWC appreciates the opportunity to comment on the California Independent System Operator Corporation’s (“CAISO”) draft 20-year Transmission Outlook (“Draft Outlook”).

The National Renewable Energy Laboratory (“NREL”) reports that California has 200 gigawatts (“GW”) of technical potential for generating offshore wind power.¹ The Joint Agency Senate Bill 100 (“SB 100”) report in March 2021 concluded that to reach its goal of 100% clean energy by 2045 California will need to develop a diverse portfolio of renewable energy that includes offshore wind. The “SB 100 Core Scenario” called for 10 GW of offshore wind by 2045, or as much as the model would allow.²

Offshore wind power can provide clean, reliable energy that complements the state’s solar and other renewable resources and helps keep the lights on for Californians around the clock. Building offshore wind power capacity will create thousands of high-wage jobs, create new domestic supply chains, enable California to cost-effectively meet its 100% clean energy goals and also help the state manage its growing climate risks. These benefits can be achieved while protecting marine life and ocean resources.

Realizing the full benefits of offshore wind development off the California coast will require sustained federal and state support for deployment at scale. Economies of scale will be key to driving down costs, delivering competitively priced clean power, and encouraging industries and jobs to locate in our state.

OWC Supports the Draft Outlook

The CAISO’s inaugural 20-year outlook planning process for new transmission investment represents a material step toward cost-effectively meeting California’s clean energy needs. OWC and its members are pleased to see a long-term, strategic transmission planning approach. The CAISO’s long-range transmission planning effort demonstrates its commitment to help achieve a re-imagined grid.

¹ See 2020 Offshore Wind Resource Assessment of the California Pacific Outer Continental Shelf (October 2020) <https://www.nrel.gov/docs/fy21osti/77642.pdf>.

² 2021 SB 100 Joint Agency Report, Achieving 100 Percent Clean Electricity in California: An Initial Assessment (2021) <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

Planning Scenarios

OWC particularly applauds the CAISO's inclusion of offshore wind in its planning scenarios.³ Floating offshore wind has advanced significantly to become a proven technology in recent years and California is poised to leverage this new industry for the benefit of the state's residents.

Process for Updating Draft Outlook

OWC supports the process that the CAISO has outlined for refining and updating its Draft Outlook,⁴ and appreciates the CAISO's work to make the Draft Outlook available in time for the California Public Utilities Commission ("CPUC") to take account of this valuable analysis in its February 10, 2022 Decision Adopting 2021 Preferred System Plan in the Integrated Resource Planning ("IRP") proceeding.⁵

Continued Information, Collection, Analysis and Revision

OWC appreciates the CAISO's statement of its intention, following finalization of the draft plan in March, to examine the findings of SB 100 processes, collect information from other sources, and "provide industry an update on the 20-Year Outlook activities and communicate intentions going forward, by year end."⁶

The process of continued information collection, analysis, and revision that the CAISO has outlined is particularly important with respect to offshore wind planning due to rapid technological change in this area and California's policy responses to that change. Recent years have seen remarkable innovation and cost reduction in offshore wind and transmission technology, particularly with respect to the floating foundation technology that makes wind farms off the California coast possible.

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OWC appreciates the opportunity to provide comments on the CAISO's Draft Outlook and looks forward to continuing to support the CAISO's efforts.

³ CAISO 20-Year Transmission Outlook at 23-25.

⁴ CAISO 20-Year Transmission Outlook at 15.

⁵ Decision 22-02-004.

⁶ See CAISO Draft 20-Year Transmission Outlook Presentation (February 7, 2022)

<http://www.aiso.com/InitiativeDocuments/Presentation-Draft2021-2022TransmissionPlan-Feb072022.pdf>.

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Chapter 2: Coordination with State Agencies

Policy Developments and Agency Coordination

California policy makers have responded positively to the emergence of floating wind as a new source of renewable energy. Assembly Bill 525 (“AB 525”), enacted in September 2021, requires a California Energy Commission (“CEC”)-led assessment of maximum feasible offshore wind capacity plus planning goals for 2030 and 2045 by June 1, 2022, and a strategic plan by June 30, 2023. The CEC has been the lead state agency on the California Intergovernmental Renewable Energy Task Force to provide state agency and stakeholder input on plans for offshore wind development. Efforts are now underway by CEC and state permitting agencies to streamline state permitting and coordinate, to the extent possible, with federal environmental review and permitting.

More recently, on February 17, 2022, Sen. Robert Hertzberg introduced Senate Bill 1174 (“SB 1174”), which is designed to accelerate the development of power lines needed to connect offshore wind farms and other energy sources to the electric grid. The CPUC also recently adopted Decision 22-02-004 in its IRP proceeding, making use of the California Independent System Operator Corporation’s (“CAISO”) draft analysis of the 8.3 GW offshore wind sensitivity case,⁷ acknowledging the possibility of a near-term increase in 2032 offshore wind deployment set out in the preferred system plan,⁸ and affirming the California Public Utilities Commission’s (“CPUC”) intention to engage with stakeholders on the establishment of an appropriate entity to conduct offshore wind procurement.⁹

Timeline and Processes

OWC understands and appreciates the CAISO’s interest in getting feedback in order to revise and update CAISO’s draft 20-year Transmission Outlook (“Draft Outlook”). OWC encourages the CAISO to consider that the Bureau of Ocean Energy Management (“BOEM”) offshore wind development process could take as long as seven years from lease auction to commencement of operations. Large scale in-state transmission development projects to interconnect offshore wind involve lengthy permit and planning requirements. An accelerated feasibility review of offshore wind transmission projects and initiation of work on approved projects can help ensure that needed transmission and generation are completed on a timetable that aligns with the goals of SB 100.

⁷ See D.22-02-004 at 123.

⁸ See D.22-02-004 at 142-143.

⁹ See D.22-02-004 at 143-144.

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OWC also encourages the CAISO to follow and engage with the CEC's work on offshore wind siting in connection with the studies required by AB 525 and as BOEM works toward designating additional call areas off the California Coast. These agency findings concerning the viability of additional areas in waters off Central and Northern California may have important implications for the focus of future offshore wind transmission planning and may require the CAISO to accelerate consideration of North Coast transmission solutions.

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