

**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

**OPENING COMMENTS OF OFFSHORE WIND CALIFORNIA ON  
ADMINISTRATIVE LAW JUDGE'S 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**

Adam Stern  
Executive Director  
Offshore Wind California  
P.O. Box 955  
Menlo Park, CA 94026  
Email: [adam.stern@offshorewindca.org](mailto:adam.stern@offshorewindca.org)

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**I. Introduction**

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and the January 13, 2023 Administrative Law Judge’s *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* (“Proposed Decision”), Offshore Wind California (“OWC”) respectfully submits the following opening comments. 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.

**II. Mid-Term Procurement Issues**

*A. Supplemental Procurement*

OWC supports the proposed requirement to supplement mid-term reliability procurement by 4,000 megawatts (“MW”) of generic clean resource net qualifying capacity (“NQC”) in 2026-2027<sup>1</sup>

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<sup>1</sup> See Proposed Decision, at 22-30.

in addition to the 11,500 MW ordered in Decision 21-06-035.

OWC agrees with the Commission that to avoid ad hoc interim procurement orders moving forward, the Commission should continue to develop the programmatic procurement approach outlined in the Reliable and Clean Power Procurement Program Staff Options Paper (“Staff Options Paper”).<sup>2</sup> The current system of ordering ad-hoc procurement to meet incremental load growth may be necessary to ensure mid-term reliability, but it is inadequate to account for projected offshore wind deployment or to address the risks of delaying necessary transmission development to future IRP cycles.

OWC reiterates from its reply comments on the Staff Options Paper that the Commission should pursue a programmatic procurement program that includes – and does not further delay to a future cycle – a framework for long lead-time resources in this IRP proceeding.<sup>3</sup> The Commission should adopt a procurement structure that accommodates both technology-agnostic procurement orders and technology-specific long lead-time resources orders. Selecting this structure will create the regulatory certainty necessary to ensure that offshore wind can help California meet its ambitious climate goals and reliability challenges.

*B. Interconnection Issues*

Section 2.4.5 of the Proposed Decision describes interconnection issues developers of all technologies are facing. Currently, there is a significant backlog in the California Independent System Operator (the “CAISO”) interconnection study process: the current cluster 14 was delayed one year, and delays are also likely to occur for cluster 15 given the current CAISO queue volume.

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<sup>2</sup> September 8, 2022 Administrative Law Judge’s Ruling Seeking Comments on Staff Paper on Procurement Program and Potential Near-Term Actions to Encourage Additional Procurement.

<sup>3</sup> See Offshore Wind California Comments California Public Utilities Commission’s Electricity Resource Portfolios for 2023-2024 Transmission Planning Process (Oct. 31, 2022).

In addition, there is no deliverability available in the majority of areas for new projects in cluster 13 and beyond. The transmission upgrades proposed in the ongoing 2022-2023 Transmission Planning Process (“TPP”) will likely not be in service until 2030 or later. Not being able to receive deliverability in the CAISO market is harming the commercial viability of various projects that aim to serve California. The Commission should work with the CAISO to improve the interconnection study process, urge transmission owners to shorten interconnection times, and reevaluate the deliverability methodology as the current method is too restrictive.

### **III. CAISO Transmission Planning Process Recommendations**

#### *A. Base Case*

For the 2023-2024 TPP base case, OWC supports the 30 million metric ton (“MMT”) greenhouse gas target for 2030 with load assumptions based on the California Energy Commission’s (“CEC”) Integrated Energy Policy Report Additional Transportation Electrification Load Scenario.<sup>4</sup> OWC also agrees with the Commission decision to use the 12-year planning horizon out to 2035, instead of the usual ten years. This alignment with the CEC and the CAISO planning horizons will help identify the highest priority transmission facilities that are needed for developers to connect to the grid and potentially receive deliverability.

OWC recognizes that the Commission’s allocation of offshore wind in the total base case Portfolio: 120 MW in 2026;<sup>5</sup> 3,100 MW in 2030; 3,261 MW in 2033; and 4,707 MW in 2035 is the

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<sup>4</sup> See Portfolios and Modeling Assumptions for the 2023-2024 Transmission Planning Process, <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2022-irp-cycle-events-and-materials/portfolios-and-modeling-assumptions-for-the-2023-2024-transmission-planning-process>.

<sup>5</sup> Table 3 of the Proposed Decision identifies the Total Base Case Portfolio Additions and, based on our understanding, reflects the Commission’s 2035 mapping of In-Development and Generic Resources. See Proposed Electricity Resource Portfolios for the 2023-2024 Transmission Planning Process Workshop (Oct. 20, 2022), at 80, <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy->

highest level of offshore wind resources included in a TPP base case to date. However, OWC believes it is conservative relative to the offshore wind resource potential in the Humboldt and Morro Bay areas. The Proposed Decision maintains the 4.7 GW of offshore wind recommended by Commission staff in the October 7, 2022 *Administrative Law Judge's Ruling Seeking Comments on Electricity Resource Portfolios for 2023-2024 Transmission Planning Process*.<sup>6</sup> Per OWC's comments on that ruling, OWC recommends augmenting the base case to reflect NREL study values.<sup>7</sup>

- Humboldt area: The 2023-2024 TPP base case should include the full 2.7 GW potential at Humboldt. OWC notes that the Commission has expanded capacity in the base case for the Humboldt area to 1.6 GW, but the two federal leases in Humboldt lease areas will support more than 1.6 GW capacity. It is critical for developers to understand how the transmission system will look like in the Humboldt area and what points of interconnection will be accessible. Based on NREL's recent presentation of updated capacity data to the CEC, the resource potential at Humboldt is actually 2.7 GW, and OWC recommends that the 2023-2024 TPP base case include the full 2.7 GW potential at Humboldt and be accelerated from 2035 to 2033.
- Morro Bay area: The 2023-2024 TPP base case should include the full 4.9 GW potential at

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[division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2022-irp-cycle-events-and-materials/2023-2024-tpp-portfolios-and-modeling-assumptions/23-24tpp\\_portfolios\\_workshopslides.pdf](#) In response, OWC emphasizes that, while deliverability should be maintained for the Humboldt substation, offshore wind resources may not be able to come online at that amount or within that timeframe due to their long lead-time. OWC encourages the Commission and the CAISO to maintain these deliverability rights at Humboldt in future years while simultaneously pursuing the proposed expansion of Humboldt transmission for offshore wind.

<sup>6</sup> See Proposed Decision, at 47.

<sup>7</sup> See OWC Comments (Oct. 31, 2022) at 3 (citing NREL, Offshore Wind Research Summary – California Study Results, Presentation to California Energy Commission Workshop) (June 27, 2022), at 8.

Morro Bay to reflect the NREL 2022 data. By only including 3.1 GW, the proposed TPP base case is not primed to analyze the full potential of the area.

With the currently long development periods for transmission projects, identifying transmission needs as early as possible will help shorten the development timeline and reduce uncertainty. It is important that a higher base case portfolio be studied earlier and potentially approved sooner than later. Relatedly, OWC agrees with the Commission that there is a high likelihood that the CAISO will find the Humboldt area in need of “significant new transmission” and that the north coast requires longer development timelines.<sup>8</sup> Thus, it is prudent to assume that additional transmission capacity will be needed on the north coast – NREL has studied over 20 GW of offshore wind capacity off Cape Mendocino and Del Norte as one promising scenario.<sup>9</sup> To serve the purpose of the TPP and in consideration of California’s offshore wind policy, the Commission should initiate study of the expected capacity constraints along the north coast in the base case so as not to delay capacity expansion. Future deliverability of offshore wind in subsequent years depends on this analysis now.

In addition, OWC encourages the Commission to account for the full Assembly Bill (“AB”) 525 planning goal of 25 GW by 2045 in the base case so as not to delay sufficient transmission build-out to accommodate the ramp-up of offshore wind anticipated by the California Energy Commission (CEC). Furthermore, OWC concurs with the Commission that the results of the strategic planning and analysis required by AB 525 should be included as inputs in future base case scenarios.

### *B. Sensitivity Portfolio*

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<sup>8</sup> Proposed Decision at 48-49.

<sup>9</sup> See NREL, Offshore Wind Research Summary – California Study Results, Presentation to California Energy Commission Workshop (June 27, 2022), at 8.

OWC supports the inclusion of the offshore wind sensitivity portfolio. The offshore wind sensitivity portfolio includes 13.3 GW of offshore wind by 2035, including 5.3 GW at Morro Bay, 3 GW in Humboldt, and another 5 GW on the north coast. With 5.3 GW set for Morro Bay, OWC recommends that the Commission and the CAISO consider the Morro Bay 500 kV facility as the primary point of interconnection. In the alternative, the Commission should include the cost of upgrading the Diablo Canyon 500 kV facility as part of the TPP. In addition, Commission analyses should consider a scenario in which the Diablo Canyon Power Plant remains in service beyond 2030 to reflect this possibility.

OWC continues to recommend considering the full AB 525 planning goal of 25 GW by 2045. At a minimum, the Commission should continue to look to the CAISO 20-Year Transmission Outlook and update future TPP sensitivity cases with updated offshore wind studies. To guide developers, OWC recommends that the CAISO 20-Year Transmission Outlook be mandatory and updated annually. But if the Commission does not proactively address the 11.6 GW gap between the 13.4 GW in the offshore wind sensitivity portfolio and the AB 525 planning goal of 25 GW by 2045, the Commission risks the CAISO grossly underestimating necessary transmission. The Proposed Decision acknowledges that the Commission is “uncertain how much more transmission can be provided without more knowledge of detailed wind locations. However, . . . more offshore wind is likely to be needed in the long run.”<sup>10</sup>

Finally, OWC believes that, in addition to the outcomes of the AB 525 process, the impacts of new wind energy area designations and increasing density factors in existing lease areas should inform the TPP. The foregoing elements must be incorporated into the base case and future offshore wind sensitivity portfolios.

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<sup>10</sup> Proposed Decision at 56.

#### **IV. Conclusion**

OWC appreciates the opportunity to submit these opening comments to support the Commission's deliberative effort and looks forward to collaborating with the Commission and stakeholders in this proceeding.

Respectfully submitted,

Dated: February 2, 2023

/s/  
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Adam Stern  
Executive Director  
Offshore Wind California  
P.O. Box 955  
Menlo Park, CA 94026  
E-mail: [adam.stern@offshorewindca.org](mailto:adam.stern@offshorewindca.org)