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FEDERAL ENERGY REGULATORY COMMISSION

Building for the Future through Electric )  
Regional Transmission Planning and Cost ) RM21-17-000  
Allocation and Generator Interconnection )  
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**Prepared Statement of Neil Millar  
on behalf of the California Independent System Operator Corporation**

My name is Neil Millar. I serve as Vice President, Infrastructure and Operations Planning at the California Independent System Operator Corporation (CAISO). In this role, I lead the division responsible for the CAISO's transmission planning, infrastructure contracts, operations engineering services, and generation interconnection processes. Thank you for the opportunity to participate in this discussion. My remarks primarily address panel 3, *Identifying Geographic Zones with High Renewable Resource Potential for Use in Regional Transmission Planning Processes*, but I also address the topics of the other panels as they inevitably overlap.

The CAISO supports efforts to identify in the transmission planning process areas that have the potential for development of large amounts of renewable resources and planning transmission to facilitate the integration of those resources in such areas. The CAISO has worked with California state agencies to achieve these outcomes. These efforts can promote optimal transmission development to access, aggregate, and efficiently integrate renewable resources on a wide-scale. There are many ways to accomplish this effort and the CAISO discourages the Commission from prescribing any specific approach. The Commission should instead provide regions with flexibility to

implement any requirement based on specific circumstances and processes in their regions.

One example of this effort is the CAISO's Location Constrained Resource Interconnection Facility (LCRIF) that helped facilitate wind resource development in the Tehachapi renewable resource area. LCRIFs are radial, generation tie-line facilities, not networked transmission facilities. The Commission found the CAISO's treatment of LCRIFs was a just and reasonable variation from Order No. 2003's default generator interconnection policies to help interconnect a large amount of renewable resources. The LCRIF model continues to be an option in the CAISO's planning framework, albeit used infrequently in part due to the development of the CAISO's policy driven transmission planning framework.

Another example is the CAISO transmission planning process incorporating future resource portfolios into the consideration of policy driven transmission. This helps ensure we identify transmission that supports resource development. Ultimately, state and local regulatory commissions oversee the resource procurement of their load serving entities, and they can direct procurement from certain resource areas and resource types (and reject procurement that does not meet their standards). Active involvement and buy-in of state and local regulators in this process is critical to mitigate the risk of overbuilding and stranded costs and to facilitate state siting approvals for transmission accessing generation in renewable energy zones or locations reflected in state regulator-developed resource portfolios.

As states and utilities evolve their resource portfolios to include more renewable resources, storage technologies and distributed energy resources, planning authorities

need to coordinate the deployment of these resources into the planning process in order to maximize the efficient integration of these resources. This coordination can result in a number of actions, including identifying the most efficient transmission additions to help integrate these resources, creating greater transparency for developers to pursue subscription models to deploy transmission assets, and providing feedback to help state and local regulators and utilities diversify their resource fleets by technology type and by geographic location in order to serve demand at reasonable costs.

As planning authorities begin to look at longer-term future scenarios in the regional planning process, they need to identify a baseline vision for future planning activities. The CAISO has started work to develop a 20 year outlook of transmission needs based on various public policy drivers as well as resource and demand forecasts, including increased electrification. This work also needs to assess other variables such as land use issues or geographic constraints that may make authorizing transmission addition impractical. This 20 year outlook will help scope the challenges we face in our planning area, allow the state and local regulators to refine their resource planning, and provide longer term context for decisions we make in the 10 year transmission plan process.

To conclude, the Commission's Advance Notice of Proposed Rulemaking has created significant interest and generated comments from federal and state policymakers, industry, and affected stakeholders. As the Commission considers possible reforms, it should consider the practices transmission planners are already undertaking to align transmission development with resource development/procurement

in order to produce an efficient and cost-effective transmission system that accesses diverse, economic, and reliable resources. That is the objective we should all share.