

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies, Processes, and Rules to Ensure Safe  
and Reliable Gas Systems in California and  
Perform Long-Term Gas System Planning.

Rulemaking 20-01-007  
(Filed January 16, 2020)

**COMMENTS OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
ON THE PROPOSED DECISION ON PHASE 2 ISSUES REGARDING  
TRANSMISSION PIPELINES AND STORAGE**

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Dated: October 17, 2023

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**I. Introduction**

The California Independent System Operator Corporation (CAISO) submits comments on the September 27, 2023 *Proposed Decision on Phase 2 Issues regarding Transmission Pipelines and Storage* (PD) by the California Public Utilities Commission (Commission).

The PD establishes a new process and set of criteria that Pacific Gas and Electric Company, Southern California Gas Company, and San Diego Gas & Electric Company must consider when evaluating whether to derate or decommission gas transmission pipelines. The CAISO agrees with the PD that electric reliability should be a key criteria in determining whether a gas pipeline can be derated or decommissioned. The PD, however, does not specify how affected electric system balancing authority areas, including the CAISO, can engage and provide input on gas utility assessments of impacts to the electric system. The CAISO recommends the PD specify that gas utilities should coordinate with the CAISO and other California balancing authority areas regarding assessments of impacts to electric reliability.

The CAISO agrees with the PD's findings that natural gas and electric systems are interdependent. As such, the Commission should look to develop further in this proceeding: 1) A structured process for balancing authority areas to provide input on assessments of electric reliability when gas utilities make decisions to derate or decommission gas pipelines, and 2) coordination between this proceeding and the integrated resource plan (IRP) proceeding which covers long-term planning for electric systems.

## **II. Discussion**

### **A. Electric Reliability Should be a Key Criteria in Determining Whether a Gas Pipeline Should Be Derated or Decommissioned.**

The CAISO agrees with the Commission's findings that gas pipelines are critical to the reliability of the gas and electric systems, and that natural gas and electric sectors are interdependent.<sup>1</sup> The CAISO agrees with the PD that impacts to electric reliability should be a key criteria when gas utilities determine whether a gas transmission pipeline should be derated or decommissioned.

### **B. The PD Should Specify that Gas Utilities Should Coordinate with the CAISO and other California Balancing Authority Areas on Assessing Impacts to Electric Reliability.**

Although electric reliability is listed as a key criteria that gas utilities must consider when making decisions to derate or decommission gas transmission pipelines, the PD does not specify electric system balancing authority areas' role in this new process. Gas utilities should consult closely with the CAISO and other affected California balancing authority areas when making decisions to derate or decommission gas pipelines that affect electric generation. At minimum, the PD should specify that gas utilities should coordinate with the CAISO and other balancing authority areas regarding assessments of impacts to electric reliability when determining whether to derate or decommission gas transmission pipelines.

As this proceeding progresses, the Commission should look to develop a structured process for balancing authority areas to provide input on gas utility assessments of electric reliability impacts when derating or decommissioning gas pipelines. Although gas utilities may coordinate up front with balancing authority areas on these decisions, the Commission should develop a process where the CAISO and other balancing authority areas can provide input or their own assessments of electric system impacts on record. For example, the CAISO may be able to provide insight on electric system impacts that may extend beyond the visibility of individual gas utilities.

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<sup>1</sup> PD, p. 39.

**C. The Commission Should Coordinate Long-Term Gas and Electric Planning Across Proceedings.**

The Commission should coordinate long-term gas system planning and electric system planning, recognizing interdependencies between gas and electric system reliability. The Commission should establish linkages between this proceeding and the IRP proceeding, which covers resource planning for the electric system.

**III. Conclusion**

The CAISO appreciates the opportunity to provide comments on the PD.

Respectfully submitted

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