

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

Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002
(Filed February 9, 2017)

**NOTICE OF EX PARTE MEETING OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8.4 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby provides notice of oral ex parte communication in the above captioned proceeding. The CAISO initiated the communication.

This filing provides a summary of the CAISO's October 25, 2021 ex parte discussion with Commissioner Guzman Aceves; Chief of Staff Jonathan Koltz; Assistant Chief of Staff Pilar Manriquez; and Advisors Maria Sotero, Kerry Fleisher, and Anand Durvasula. The meeting occurred from approximately 4:00 p.m. to 5:00 p.m., with Commission Guzman Aceves attending only the first thirty minutes. Chair Angelina Galiteva, CAISO Board of Directors; Mark Rothleder, Senior Vice President and Chief Operating Officer; Neil Millar, Vice President, Infrastructure and Operations Planning; Delphine Hou, Director, California Regulatory Affairs; and Jordan Pinjuv, Senior Counsel, participated by Webex on behalf of the CAISO. Energy Division staff members Simon Baker, Jean Spencer, Eileen Hlavka, and Donald Brooks also participated in the discussion.

The CAISO described the purpose of its local capacity studies and their relevance in studying the need for the Aliso Canyon Storage Facility (Aliso Canyon). The CAISO noted it conducts local studies every year to establish local generation needs in load pockets, including the Los Angeles basin. The CAISO local capacity studies also provide an estimate of battery storage products that could replace existing generation and charging limitations on battery storage within load pockets. The CAISO noted it has studied transmission options to reduce local capacity requirement.

The CAISO clarified that gas consumption for electric generation is only one of several uses for Aliso Canyon. However, the CAISO noted potential fuel transition from natural gas to

electricity could cause increased reliance on electric generation resources. Future fuel switching could put burdens on the natural gas system especially in the event Aliso Canyon retires. The CAISO noted it is currently considering studying a high electrification scenario in its 2022-2023 transmission planning process and that the impacts of fuel switching should be considered, especially in long-term timeframe.

The CAISO explained that the Commission and its consultants could use past local capacity requirement studies to determine the amount of battery storage that could substitute for gas resources at the local level. The CAISO noted that without replacement resources all, or nearly all, the existing gas resources in the western Los Angeles basin are necessary to maintain local reliability. To determine whether local needs could be met without Aliso Canyon, the CAISO explained it would need Commission guidance regarding the amount of electric generation within the Los Angeles basin that would be retired or otherwise unavailable and which units remained available for electric generation. The CAISO indicated it has not yet conducted local area studies with significant gas-fired resource reductions within the Los Angeles basin.

Commission staff and CAISO staff discussed possibly conducting a study of the electric system and local reliability without Aliso Canyon. The CAISO indicated any such study would need to be prioritized with the high electrification studies already planned for the 2022-2023 cycle.

Respectfully submitted,

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