



Fact Sheet:

Decision 23-02-040 Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to the California Independent System Operator for the 2023-2024 Transmission Planning Process

Overview of Decision 23-02-040: This Decision [D.] is part of the CPUC's Integrated Resource Planning (IRP) proceeding, Rulemaking [R.] 20-05-003. It seeks to ensure that there are sufficient resources available for electric reliability by ordering additional resource procurement beyond current requirements, specifically the Mid-Term Reliability (MTR) procurement requirements from D. 21-06-035. It also serves to transmit the base case electric resource portfolio and one policy-driven sensitivity portfolio to the CAISO for the 2023-24 Transmission Planning Process (TPP), as required each year.

Background for Supplemental Procurement and Other Procurement Changes:

- D. 21-06-035 ordered the procurement of 11,500 MW of new net qualifying capacity (NQC) to come online in 2023-2026; enough to power approximately 2.5 million homes, with all of the resources coming from zero-emitting, or otherwise Renewable Portfolio Standard-eligible, sources.
 - 2,000 MW NQC of these resources were required to come from long lead-time resources providing firm clean power or long duration energy storage. These resources were required online by 2026 with opportunity to be extended to 2028.
- On September 8, 2022, ALJ Fitch issued a Ruling seeking comment on potential near-term actions the Commission could take to encourage additional procurement to meet or exceed the requirements of D.19-11-016 and D. 21-06-035.

Summary of Supplemental Procurement and Other Procurement Changes:

- This Decision requires 4,000 MW NQC of new procurement in 2026 and 2027, in addition to the 11,500 MW NQC ordered in D. 21-06-035.
 - 2,000 MW NQC would be required to be online by June 1, 2026, with an additional 2,000 MW NQC by June 1, 2027.
 - The Decision requires the procurement to be clean and otherwise follow all the rules and requirements of D. 21-06-035.
- This additional new procurement is needed as electric demand is projected to increase, the impacts of climate change are accelerating and creating new demands on our electricity resources, and because the Commission expects both additional resource retirements and delays to long lead-time new resource procurement.
- This Decision also recognizes the difficulties in procuring long lead-time resources by 2026, as required by D. 21-06-035, and automatically extends those deadlines to 2028, which was previously provided for in D.21-06-035.
- The Commission proposes this to ensure reliability, while continuing to develop a procurement program that will establish long-term requirements for load serving entities (LSEs) to procure the electricity resources needed to maintain reliability and reduce greenhouse gas (GHG) emissions.
- This Decision also makes changes to existing compliance rules set in previous IRP Proceeding Decisions, including (but not limited to):
 - Creating a process for resources included on the baseline of either D. 19-11-016 or D. 21-06-035 that have not yet come online to be removed from the baseline and allowed to count as new procurement if the LSE agrees to bring online an equal amount of NQC procurement in the year 2025.
 - Allowing additional flexibility for projects that would serve as "bridge" resources when an LSE wants to insure against the risk of project delay.
 - Other clarifications or adjustments on topics including penalties, compliance, and specific procurement categories.



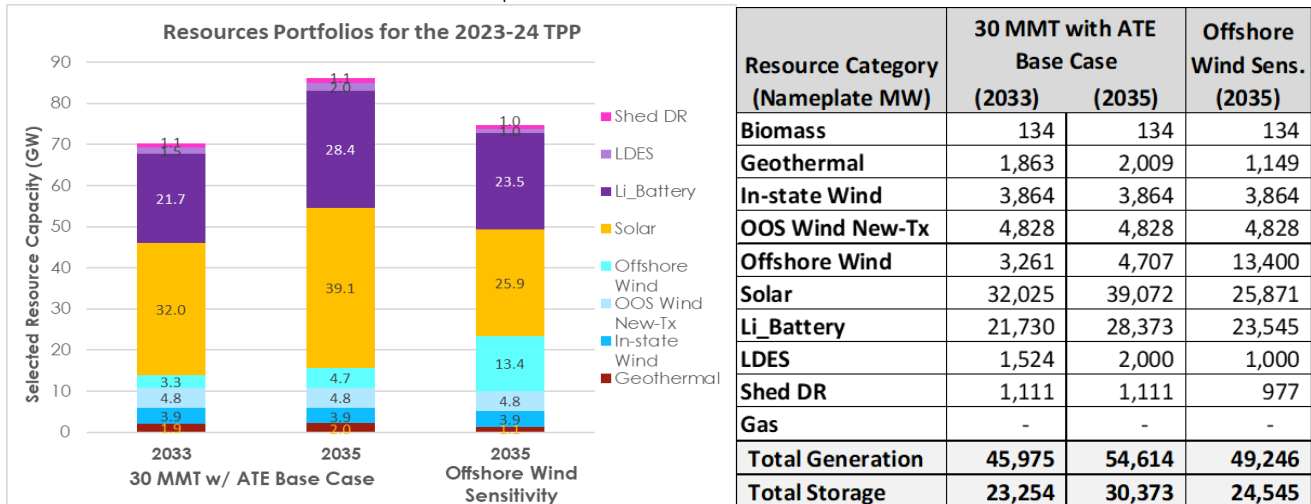
Background on the CPUC Transfer of IRP Resource Portfolios to CAISO's TPP

- The CPUC's annual process for TPP portfolio development ensures that electricity resources identified within IRP inform CAISO's transmission system planning, to facilitate infrastructure development to meet state goals. A 2010 MOU between the CAISO and the CPUC outlines this process in coordination with the California Energy Commission (CEC).
- The CPUC process for developing portfolios for 2023-24 TPP was unprecedented in scope and potential infrastructure impact. A CPUC-led stakeholder process to allow insight into TPP portfolio development and the resource-to-busbar mapping effort commenced in October 2022. This decision is the first time that the CPUC has released busbar mapping results for stakeholder review and feedback prior to the Decision.

Summary of the Portfolios for the 2023-24 Transmission Planning Process:

- The base case portfolio proposed in the Decision will allow CAISO to identify and authorize transmission development needed to accommodate new resource capacity expected to be built to meet a 30 million metric ton (MMT) GHG target, with increased demand associated with a higher electrification future accounting for the policy and market drivers pointing towards higher levels of transportation electrification. New to this TPP cycle, the CPUC is including both the typical ten-years-out 2033 results and results for 2035. The 2035 portfolio contains over 86,000 MW nameplate of new resources, with 54,000 MW of renewable resources, including 2,000 MW of geothermal and 4,700 MW of offshore wind. The portfolio also contains over 28,000 MW of batteries, 2,000 MW of long-duration storage, and 1,100 MW of demand response.
- The sensitivity portfolio proposed in the Decision will allow CAISO to continue studying transmission infrastructure needs and costs that would be triggered to connect over 13,000 MW of offshore wind generation, including over 5,000 MW of Central Coast and 8,000 MW of North Coast offshore wind. The portfolio seeks to build on the results of the 2021-22 TPP offshore wind sensitivity by incorporating policy and assumptions changes including: the increased load scenario, new planning goals in line with AB 525, and the increased focus on North Coast transmission needs.

The cumulative buildout of new resources in the two portfolios is shown below.



Resource Category (Nameplate MW)	30 MMT with ATE Base Case		Offshore Wind Sens. (2035)
	(2033)	(2035)	
Biomass	134	134	134
Geothermal	1,863	2,009	1,149
In-state Wind	3,864	3,864	3,864
OOS Wind New-Tx	4,828	4,828	4,828
Offshore Wind	3,261	4,707	13,400
Solar	32,025	39,072	25,871
Li_Battery	21,730	28,373	23,545
LDES	1,524	2,000	1,000
Shed DR	1,111	1,111	977
Gas	-	-	-
Total Generation	45,975	54,614	49,246
Total Storage	23,254	30,373	24,545

CPUC IRP Website: <https://www.cpuc.ca.gov/irp>

CPUC Decision: <https://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=502956567>

Relevant TPP materials: [Portfolios and Modeling Assumptions for the 2023-2024 Transmission Planning Process \(ca.gov\)](#)