

Proceeding No.: R.20-11-003
Exhibit No.: ACP-01
Witnesses: Danielle Osborn Mills



**Order Instituting Rulemaking to Establish Policies,
Processes, and Rules to Ensure Reliable Electric Service in
California in the Event of an Extreme Weather Event in
2021**

**PREPARED OPENING TESTIMONY OF DANIELLE
OSBORN MILLS ON SUMMER 2022 AND 2023
RELIABILITY ENHANCEMENTS ON BEHALF OF
AMERICAN CLEAN POWER – CALIFORNIA**

Before the California Public Utilities Commission

Sacramento, California
September 1, 2021

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1 **I. INTRODUCTION AND SUMMARY**

2 American Clean Power – California (“ACP-California”) submits this written testimony in
3 response to Administrative Law Judge Brian Stevens’ August 16, 2021 E-Mail Ruling Issuing
4 Commission Developed Staff Concepts Proposal Document And Seeking Comment In Opening
5 Testimony Due September 1, 2021. This Opening Testimony focuses on Phase 2 issues 1(e) and
6 (g), (IRP and interconnection issues, respectively), increasing the availability of supply-side
7 resources in 2022 and 2023 through the Commission’s oversight of the Investor Owned Utilities’
8 (“IOUs”) transmission planning and interconnection activities.

9 Interconnection delays remain a key barrier in making clean capacity available to grid
10 operators, particularly by the summers of 2022 and 2023. ACP-California sees this as a two-fold
11 issue. First, there are ongoing delays to pre-cluster 14 projects that are largely out of the control
12 of generators due to a variety of reasons, for example, reassessment of fault levels at particular
13 substations and delays in getting precursor network upgrades constructed. As a result, there is a
14 considerable amount of new, dispatchable clean capacity studied in the California Independent
15 System Operator’s (“CAISO”) queue clusters 8, 9, 10, 11 and 12 that had commercial online dates
16 in 2021 and still face uncertainties as to when they will be able to interconnect. Second, the queue
17 cluster 14 subscription levels are very large, which has delayed the overall processing timeline for
18 new projects.

19 As discussed below, ACP-California proposes two reforms that would help resolve
20 interconnection delays, including: 1. Create greater transparency and oversight of interconnection
21 and transmission development; 2. Reduce California Public Utilities Commission (“CPUC”)
22 permitting timelines and expedite engineering for already approved projects with minimal
23 environmental impacts. ACP-California also supports the proposal in the staff concept paper to
24 authorize the IOUs to evaluate storage projects at existing substations, so long as the prioritization

25 of any such storage projects does not exacerbate delays to previously queued interconnection
26 customers. Specifically, in evaluating any authorizations of new storage facilities at existing
27 substations, the CPUC should ensure that the IOUs have conducted an analysis of all previously
28 queued projects that may be interconnecting to or otherwise relying on the same substations, and
29 ensure there is no material impact on previously queued projects. This analysis should be akin to
30 the CAISO’s analysis that it conducts for independent study process under Appendix DD of the
31 CAISO tariff.

32 **II. BACKGROUND AND WITNESS INFORMATION**

33 American Clean Power Association (“ACP”), represents companies from across the clean
34 power sector that provide cost-effective solutions to the climate crisis while creating jobs, spurring
35 massive investment in the American economy, and driving high tech innovation across the United
36 States. ACP’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable
37 power system. ACP’s California project is American Clean Power – California (“ACP-
38 California”).

39 This testimony is sponsored by Ms. Danielle Osborn Mills. Ms. Osborn Mills has over
40 fifteen years of experience in complex California energy and environmental challenges. As
41 Principal of Renewable Energy Strategies and Director of American Clean Power - California, she
42 works with global leaders in renewable energy development to determine policy priorities and
43 positions, and currently advocates for the development of utility-scale wind, solar, and storage as
44 part of a clean, affordable, and reliable portfolio for California. Ms. Osborn Mills’ previous
45 experience includes consulting and advocacy for a suite of clean energy technologies, and
46 collaboration with environmental groups to prevent and resolve environmental conflicts associated
47 with clean and renewable energy development. She has a B.S. in Natural Resources from the

48 University of Michigan and her M.P.A. from the University of Washington, where she focused on
49 Climate Policy.

50 III. DISCUSSION

51 1. ACP-California Proposal 1: Greater Transparency and Oversight of IOU 52 Transmission and Interconnection Projects.

53 Now more than ever, the timely development of transmission will be integral to realizing
54 the scale of new generation capacity needed to meet the State’s ambitious climate targets and near-
55 term reliability needs. In the past, transmission development has been a major barrier to the
56 achievement of the state’s climate and reliability targets, and this situation seems to be getting
57 worse. Every year, the CAISO conducts reassessments in its interconnection process, which can
58 result in the extension of in-service date. ACP-California and its members have become
59 increasingly concerned by delays in network upgrades, which in turn are delaying new capacity
60 from coming online. In some cases, “precursor” network upgrades were approved many years ago
61 and yet the timing of the upgrades is still resulting in unforeseen delays in generation in-service
62 dates. This situation is jeopardizing generation project viability and has led to the loss of capacity
63 that would have otherwise been available in 2021, 2022 and 2023.

64 The AB 970 reporting process provides important information on the status and timing of
65 network upgrades that is not *readily* available elsewhere. ACP-California seeks to ensure that the
66 AB 970 reporting (or successor reports to FERC) continue to provide transparency into the status
67 of transmission development and the implications for the development of new clean capacity that
68 the state will rely on in meeting its climate and reliability targets. ACP-California respectfully
69 requests that the Commission provide greater oversight and renew the AB 970 reporting process
70 to ensure that the information provided by IOUs is accurate and up to date.

71 In addition to making the status of transmission development clearly available on a timely
72 basis, the Commission should also assign additional staff resources to specifically monitor the
73 IOUs transmission development activities from the perspective of ensuring that the IOUs are
74 meeting the timelines projected in their transmission studies and reports. The Commission should
75 use this proceeding to provide firm direction that transmission owners should prioritize timely
76 completion of transmission upgrades needed to facilitate renewable energy and clean capacity
77 development.

78 Finally, in response to the guidelines set forth in Judge Steven’s August 11, 2021 Ruling
79 providing guidance on party’s testimony, ACP-California provides the following additional
80 information in support of ACP-California Proposal 1 to identify new proposed program details or
81 modifications to existing programs that would increase supply at net peak. The general program
82 design would be to open a new AB 970 oversight proceeding. The IOUs should be required to
83 submit quarterly updates of their AB 970 reports and hold at least one public workshop to discuss
84 the AB 970 reports. This reporting pursuant to AB 970 should be in addition to the utilities’ STAR
85 reporting. This information is commercially important, yet there is currently very little
86 transparency or accountability. Delays have created new barriers to deployment of clean capacity.
87 The Executive Director should assign one or more staff members to review and validate the IOUs
88 reporting under AB 970, and to follow up with transmission owners if timelines begin to slip. The
89 program should begin immediately. By creating more awareness and oversight of transmission
90 and interconnection delays, this new “program” would reduce the risks that capacity otherwise
91 planned for 2022 and 2023 face fewer risks of delays due to transmission and interconnection
92 issues.

93 **2. ACP-California Proposal 2: Expediting Already-Approved Transmission**
94 **Projects.**

95 One step that can be taken immediately and will provide real stimulus starting in 2021, is
96 to ensure that transmission upgrades already approved by the CAISO and included in the Utilities
97 STAR and AB 970 reports move through the siting, engineering, and construction phases as soon
98 as possible. Accelerating and securing these transmission upgrades will support near-term
99 development of the associated renewable energy resources. However, some of these transmission
100 upgrades are delayed and need to be prioritized by the California Public Utilities Commission
101 and/or the transmission owner responsible for their completion.

102 Several transmission upgrades – located primarily in PG&E’s system, can enable 1,400 –
103 2,000 MW of renewable and battery storage projects.¹ Renewable developers are ready to
104 construct these projects when the transmission upgrades are secure. From an environmental/siting
105 perspective, most of these projects are relatively benign “reconductoring” of existing transmission
106 lines and substations, meaning minimal new right-of-way and minimal environmental impacts.
107 The projects are currently in varied stages of the siting process. All these upgrades have been
108 approved by either the CAISO generation interconnection process or the CAISO transmission
109 planning process. The funding mechanisms for the upgrades are already established and well
110 understood.

111 Regulatory action is necessary to prioritize these projects and ensure they are completed in
112 a timely manner so that they can unlock renewable energy and clean capacity development in the
113 near-term. First, the CPUC CEQA staff and PG&E should identify options for responsible
114 acceleration of completion of previously approved projects. Second, the CPUC should ensure that

¹ Projects identified through review of PG&E’s AB 970 report from Q3 of 2020 and industry review of interconnection studies.

115 the transmission owners have sufficient engineering resources to maintain and, where possible,
116 accelerate the engineering phase of the projects and begin construction as soon as possible. Third,
117 the Commission should authorize funding to support additional resources the transmission owners
118 may require, such as funding for engineering support.

119 Furthermore, the Commission should evaluate the requirements for when a utility must file
120 for a Certificate of Public Convenience and Necessity (“CPCN”) vs. a permit to construct. The
121 filing requirements for a CPCN can delay needed generation projects by multiple years beyond the
122 timelines set forth in their interconnection agreements. To avoid these delays, while still fulfilling
123 the Commission’s CEQA requirements, the Commission should revise General Order 131-D to
124 ensure that projects that are primarily within existing corridors are able to proceed through a permit
125 to construct.

126 In addition, the Commission should evaluate how the IOUs are recovering the costs of their
127 transmission projects in various rate cases, as well as their cost of capital approvals. If the utilities
128 are not meeting milestones for transmission development, the Commission should evaluate the
129 potential for reducing the return on equity associated with projects where the IOUs have not met
130 their milestones.

131 Finally, in response to the guidelines set forth in Judge Steven’s August 11, 2021 Ruling
132 providing guidance on party’s testimony, ACP-California provides the following additional
133 information in support of ACP-California Proposal 2. We do not believe this proposal requires
134 the initiation of a new “program”. Instead, ACP-California recommends refinements to existing
135 processes. To implement Proposal 2, the Commission should open a proceeding or otherwise
136 provide an opportunity to review and comment on revisions or clarifications to General Order 131-
137 D. Following this comment opportunity, the IOUs should be required to provide information on

138 transmission projects that can be expedited and provide the Commission with the degree to which
139 these transmission projects will improve deliverability. This information should be considered in
140 the context of the IRP busbar mapping process to ensure that the opportunities for developing
141 additional deliverability are considered in the IRP process and inform the Transmission Planning
142 Process. This evaluation should take place as soon as possible and should be coordinated with the
143 CAISO's current, 2021-2022 Transmission Planning Process.

144 **IV. CONCLUSION**

145 Interconnection and transmission development are a major barrier to bringing incremental
146 clean capacity online by the 2022 and 2023 timeframes. If left unaddressed, interconnection delays
147 will jeopardize the achievement of medium- and longer-term reliability and carbon reduction
148 targets as well. To address these concerns, the Commission should use this proceeding as an
149 opportunity to create more transparency in the IOUs' execution of interconnection and
150 transmission development projects. The Commission should also reduce the permitting timelines
151 it has authority over, particularly for projects that are primarily within existing corridors.

152
153 **V. VERIFICATION**

154 I, Danielle Osborn Mills, hereby certify under penalty of perjury that this testimony was
155 prepared by me or at my direction, and that this testimony is true and correct, to the best of my
156 knowledge.

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