



## **Comments of American Clean Power – California (ACP-California) on CAISO’s Discussion of the Subscriber Participating Transmission Owner (PTO) Model**

August 15, 2022

ACP-California greatly appreciates the work that the California Independent System Operator (CAISO) has put into the development of a new approach to PTO participation in the CAISO. The existence of new options, such as the Subscriber PTO model, to bring diverse clean energy resources online and deliver them to CAISO load is imperative to meet the state’s decarbonization goals. Therefore, ACP-California supports development of the Subscriber PTO model to help transmission projects like TransWest Express, and other similarly situated proposed transmission lines, reach commercial operation. ACP-California looks forward to additional discussions with CAISO on some of the specifics around this model and how it can best be implemented to support delivery of regional wind and other clean energy resources.

The Subscriber PTO model offers an alternative path for transmission developers, clean energy resource developers, and Load Serving Entities (LSEs) to use to bring diverse resources, and the transmission needed to deliver them, online – potentially in a timelier manner than other options (such as getting a transmission project approved through the typical Transmission Planning Process or “TPP”). Given the growing need for rapid development/capital deployment to deliver resources and meet increasing electricity demands, ACP-California applauds CAISO for exploring this option and putting the Subscriber PTO proposal forward. While the Subscriber PTO model may first be used for TransWest Express, it is likely that other projects may also seek to use this option in the future. Thus, it is important to ensure that there is clarity on how the Subscriber PTO model will function and interact with other pieces of the CAISO market and CAISO processes.

Given the importance of this model, it would be helpful for CAISO to put forward a written proposal that explains the mechanics of the Subscriber PTO model in greater detail and which stakeholders can comment on prior to finalizing the approach. Additional discussion and details on the following topics, in particular, would be helpful:

- Written explanation of the approach to cost allocation and rate design
- Further consideration of potential market implications, especially given that Subscriber PTO customers will not pay congestion/losses through the market, but other flows across the Subscriber PTO line would
- Discussion on how interim deliverability would be treated and the impacts to the Maximum Import Capability (MIC) processes
- Review of the impacts on the interconnection and deliverability allocation processes



While ACP-California believes that additional details and discussion in these areas, in particular, would be helpful, we reiterate our support for this proposal and for moving it forward expeditiously. The additional stakeholder process requested in these comments is not intended to slow the process down. Rather, it is intended to help ensure there is additional clarity on how the process will work and the impacts it may have. The hope is that by reviewing these additional details now, this model may be better understood and may be more likely to be used by other projects as well, expediting the delivery of diverse, regional resources to California LSEs. ACP-California commends the CAISO for seeking new ways to enable regional transmission development and resource diversity and looks forward to working with CAISO on the details of the Subscriber PTO model.