November 16, 2026

California Independent System Operator (CAISO)
Attn: Stakeholder Affairs
250 Outcropping Way
Folsom, CA 95630

Re: 2027-2029 ISO Draft Infrastructure Policy Roadmap

To whom it may concern,

Clean Coalition appreciates the opportunity to comment on CAISO's proposed 2027–2029 Infrastructure Policy Roadmap. As California faces rising electricity demand and substantial transmission infrastructure costs, CAISO must prioritize reforms that ensure new transmission investments are necessary and cost-effective, while recognizing the ability of distributed energy resources (DER) to reduce system costs. This requires evaluating coordinated DER portfolios alongside conventional transmission solutions on an equivalent reliability and total-system-cost basis, while ensuring that transmission cost recovery reflects actual system usage and cost causation.

Clean Coalition recently submitted comments on CAISO's Market Policy Roadmap advocating for improved DER market participation and resource adequacy (RA) qualification, particularly for customer-sited energy storage. Complementary infrastructure reforms are equally important to ensuring that utilities and load-serving entities can procure local resources that reduce transmission needs, rather than relying exclusively on conventional transmission-connected generation.

Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. We have long advocated for reforms that recognize the benefits of local generation and storage, including playing a leading role in advancing Transmission Access Charge (TAC) reform through CAISO's 2017–2018 stakeholder initiative.

A. Include TAC Structure Enhancements in the 2027–2029 Infrastructure Policy Roadmap

Clean Coalition strongly recommends that CAISO add TAC Structure Enhancements as a dedicated initiative in the 2027–2029 Infrastructure Policy Roadmap. Although TAC reform was explicitly proposed by stakeholders during the 2026 infrastructure policy catalog process, it is absent from the draft roadmap. This omission is particularly concerning given the extensive stakeholder process conducted from 2017–2018, which culminated in a Draft Final Proposal that was subsequently placed on hold without implementation.

The current volumetric TAC structure does not adequately align transmission charges with actual transmission system usage and cost causation. In particular, charges assessed based on customer energy consumption can fail to recognize reductions in transmission usage from distribution-connected generation and storage serving local load, especially where those resources provide electricity to customers beyond the generating customer's meter. This creates distorted procurement incentives for community choice aggregators (CCAs) and other load-serving entities, potentially favoring remote resources even when local alternatives could reduce overall infrastructure costs.

Clean Coalition has consistently advocated for assessing transmission charges based on actual use of the transmission system, including through its Transmission-Energy Downflow proposal. Renewed consideration of TAC reform should evaluate both the appropriate billing determinant and the allocation of transmission costs based on the services provided, transmission utilization, and the factors driving future investment.

Clean Coalition is also open to evaluating a two-part TAC structure that combines a coincident transmission system peak-demand component with time-varying volumetric charges to better reflect the capacity and energy services provided by transmission infrastructure. Such reforms could create stronger incentives for demand flexibility and distributed storage to reduce transmission usage during high-value periods. However, changes to the rate structure must also address where transmission usage is measured to ensure that local resources receive appropriate recognition for reducing reliance on the transmission system.

CAISO should establish a defined schedule for reopening this initiative in 2027, building on the substantial technical analysis already completed while accounting for changes in load growth, distributed storage deployment, and transmission system requirements. Further postponement risks perpetuating inefficient procurement incentives as California undertakes increasingly costly transmission expansion.

B. Strengthen the integration of DER into transmission planning and procurement

Clean Coalition supports CAISO's planned implementation of FERC Order No. 1920 and the scheduled update to the Memorandum of Understanding (MOU) between CAISO, the California Energy Commission, and the California Public Utilities Commission. Although CAISO already considers non-transmission alternatives in its Transmission Planning Process (TPP), these efforts should establish a more comprehensive framework for identifying, evaluating, and implementing DER portfolios as cost-effective alternatives to transmission investments.

Rather than evaluating only individual resources, CAISO should work with the CPUC, CEC, and utilities to proactively assess coordinated portfolios of distributed generation, energy storage, demand response, Virtual Power Plants (VPPs), and Community Microgrids. Utility DER orchestration capabilities, including DER management systems, can enable these resources to operate together to reduce transmission loading, address local reliability constraints, and defer or avoid costly infrastructure upgrades. Such portfolios should compete on a level playing field with conventional transmission solutions through transparent assessments of hourly and locational grid needs, implementation feasibility, and total system costs.

The updated MOU should also strengthen coordination between transmission planning, distribution planning, and resource procurement to ensure that viable DER alternatives can be implemented. Establishing clear responsibilities for evaluating, procuring, and orchestrating these resources would allow CCAs and other load-serving entities to pursue local solutions that reduce transmission requirements, rather than relying exclusively on new transmission infrastructure.

C. Address deliverability barriers through future Interconnection Process Enhancements

Clean Coalition further recommends that CAISO address persistent interconnection and deliverability barriers through its planned Interconnection Process Enhancements (IPE) initiatives. In particular, additional reforms are needed to provide viable pathways for existing energy-only resources to obtain deliverability, including where targeted network upgrades are

necessary. Although IPE 5.0 created a limited pathway for operational energy-only projects to seek deliverability, it did not establish a pathway for these resources to obtain deliverability where additional network upgrades are necessary.

These barriers are particularly consequential for front-of-meter (FOM) energy storage in local capacity-constrained areas. In SDG&E's service territory, CCAs retain responsibility for procuring local RA, yet the lack of available deliverability significantly limits opportunities to procure new local storage resources. Enabling qualified distribution-connected storage projects to obtain deliverability and participate in RA markets could expand access to cost-effective local capacity, support reliability, and reduce dependence on more expensive alternatives.

Clean Coalition recommends that future IPE initiatives establish practical and transparent pathways for energy-only resources to obtain deliverability, including through appropriately scoped network upgrades and coordinated consideration of local reliability benefits. These efforts should complement, rather than substitute for, the broader DER market participation and RA reforms requested in Clean Coalition's Market Policy Roadmap comments.

Conclusion

Clean Coalition urges CAISO to include a dedicated TAC Structure Enhancements initiative in the 2027–2029 Infrastructure Policy Roadmap, establish a level playing field for coordinated DER portfolios within transmission planning and the upcoming MOU update, and address outstanding interconnection and deliverability barriers. Together, these reforms would improve procurement incentives, reduce unnecessary infrastructure investment, and ensure that California fully recognizes the economic and reliability benefits of local energy resources.

Respectfully submitted,

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