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California Lawmakers Poised To Renew Push For Expanded Western Grid

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Leading California lawmakers are expected in 2023 to redouble efforts to pass legislation that would expand the state's power system into a broad Western regional operator in part to help secure adequate amounts of affordable electricity, as the Golden State faces daunting challenges to maintaining reliability while boosting clean energy. "Given that there is other action in the West, by other folks, I think that '23 and '24 are just going to be watershed years about the ability for the grid to be expanded beyond just the" California Independent System Operator's (CAISO) balancing authority, said Delaney Hunter, managing partner of Sacramento-based lobbying firm California Advisors, LLC, during an Oct. 12 webinar hosted by the Power Association of Northern California. Hunter noted that efforts to pass legislation to expand CAISO into a Western regional transmission organization (RTO) involving multiple states are likely to be spearheaded by Assemblyman Chris Holden (D-Pasadena), who formerly chaired the Assembly Utilities & Energy Committee and now is the chairman of the Assembly Appropriations Committee.

Holden, who failed to pass legislation to establish a governance structure for such a new RTO in 2017, 2018 and [2019](#), authored a resolution on the topic that was enacted this year, [ACR 188](#). That measure calls on CAISO to produce a report by Feb. 28 summarizing "recent relevant studies on the impacts of expanded regional cooperation on California and identifies key issues that will advance the state's energy and environmental goals." The forthcoming report by CAISO, which for years has been urging lawmakers to create an expanded Western RTO, is likely to be used to bolster arguments in favor of such legislation next year. CAISO is holding a "public stakeholder call" Oct. 17 to discuss ACR 188 and "engagement between neighboring states on regional transmission organizations in the West."

Gov. Gavin Newsom (D) has previously indicated he supported a grid-expansion proposal that was advanced by the administration of former Gov. Jerry Brown (D) through several bills authored by Holden in 2017 and 2018. CAISO and Brown in 2016 proposed to expand the grid operator into a regional entity, a move intended to bolster renewable power generation, reduce greenhouse gases, and lower ratepayer costs. The plan called for first adding territory served by the utility PacifiCorp. The envisioned Western RTO would serve California and parts of the five other states served by that utility: Idaho, Oregon, Utah, Washington and Wyoming. The proposed organization could eventually also include Nevada and Arizona, which currently participate in CAISO's energy imbalance market, and other Western states.

More recently, researchers at the think tank Resources for the Future argued that expanding organized wholesale power markets into regions that currently lack them -- such as the West, as well as the Southeast -- is [a crucial complementary strategy](#) to achieve the projected GHG benefits of the suite of clean power incentives in federal Democrats' recent budget reconciliation law. In addition, they argued that expanding such power markets would reduce the cost of deploying zero-emitting electricity.

Opposition To Regional Grid

However, legislation to expand CAISO into a Western entity has been opposed by leading Democrats in the Legislature and powerful lobbies in Sacramento, including major labor unions, public utilities and some environmental groups. They argue that expanding the grid operator to include other Western states would cost California thousands of renewable power industry jobs, threaten to cede too much power to federal regulators, undermine the state's GHG and clean power programs and increase ratepayer costs.

But given California's continuing challenges to procure enough affordable power to keep the lights on -- chiefly on hot summer days -- sources indicate legislation to expand the CAISO may have a better chance at passing next year. In addition, experts say grid regionalization could solve the state's problem in which it must curtail, or waste, vast amounts of solar and wind power it generates because it cannot dispatch it to nearby states. Hunter and Chase Hopkins, energy advisor to Assembly Speaker Anthony Rendon (D-Lakewood), said during the Oct. 12 webinar that lawmakers next year might also prioritize legislation to further address soaring utility bills. Policymakers "completely agree that there's a growing affordability crisis in California," Hopkins said. And Hunter emphasized that lawmakers will also be focusing heavily on expediting new power transmission line projects, which are far behind schedule to meet the state's lofty goals for renewable energy and decarbonizing the grid, describing the current situation as "dire." -- [Curt Barry \(cbarry@iwppnews.com\)](#)