



Comments of the American Wind Energy Association California Caucus (ACC) on the CAISO's September 19-20, 2018 Transmission Planning Process (TPP) Stakeholder Meetings

October 5, 2018

ACC appreciates the opportunity to comment CAISO's September 19th and 20th stakeholder meetings to discuss the 2018-19 TPP. Below ACC provides comments on issues discussed during the TPP stakeholder meetings. Many of these comments are aimed at positioning the CAISO to perform appropriate transmission planning during the next TPP cycle. ACC seeks fast and proactive action from the CAISO to ensure that the assumptions and portfolios studied in future TPPs are sufficient to allow California to meet reliability requirements and to achieve its clean energy goals. ACC's comments generally fall into the following areas:

1. The 2019-20 TPP must, finally, study and approve transmission consistent with the public policy requirements in effect in California
2. Effective Load Carrying Capability (ELCC) values must be incorporated into transmission planning and interconnection processes
3. Modeling of existing generators in future TPP cycles should be reviewed
4. Treatment of renewable generation additions which are not inside of the CAISO Balancing Authority Area (BAA)
5. CAISO should open a stakeholder initiative to address the outstanding issues in the TPP
6. Energy-Only Deliverability Status (EODS) Assumptions should be reviewed and revised
7. Incremental wind additions studied in the 2018-19 should be consistent with the Integrated Resource Plan (IRP) assumptions

The 2019-20 TPP must, finally, study and approve transmission consistent with the public policy requirements in effect in California

ACC believes that the delay in studying and approving transmission lines to achieve California's renewable energy requirements must be remedied no later than the 2019-2020 TPP cycle in order to ensure California will have transmission facilities necessary to meet its clean energy requirements.

Today, the renewable requirements of SB350 have been usurped by the requirements of SB100. And yet, when the CAISO publishes its 2018-19 TPP, it will have yet to ever study, with the intention to approve, the transmission facilities necessary to achieve the 50% RPS that was mandated by SB350. In short, the legislature has passed a higher renewable requirement before the CAISO has planned transmission for a lower RPS requirement. The delay in meaningful study and subsequent approval of transmission facilities necessary to achieve California's **current** RPS requirements, if not remedied, has the potential to jeopardize California's timely achievement of its RPS and clean energy goals.



The CAISO and California Public Utilities Commission (CPUC) need to ensure that this delay in studying and approving transmission facilities is addressed immediately. The CAISO should work proactively with the CPUC to ensure that the portfolios studied in the 2019-2020 TPP are consistent with the renewable requirements mandated by state law.

SB100's renewable mandates are quickly approaching, with RPS requirements of 44% by 2024, 52% by 2027 and 60% by 2030. The 52% RPS requirement is less than ten years away and yet the CAISO has not yet begun approving transmission facilities which may be necessary to achieve an RPS greater than 33%. The CAISO must work with the CPUC to gather the information required to perform base case policy-driven transmission assessments, and to begin approving transmission facilities, associated with those portfolios in the 2019-2020 TPP.

Effective Load Carrying Capability (ELCC) values must be incorporated into transmission planning and interconnection processes

During the September TPP meetings, CAISO indicated that it is working to incorporate the use of ELCC for variable energy resources into the interconnection and transmission planning processes. Use of ELCC for variable energy resources in these processes is paramount to ensuring that the transmission system is appropriately built to accommodate these variable energy resources. CAISO should immediately make clear to stakeholders both the venue for discussing and the expected timing of ELCC implementation in these two processes. Use of the ELCC should be expeditiously implemented in the TPP and interconnection processes, such that CAISO can move forward with determining what transmission (and interconnection) facilities are necessary to deliver California's growing renewable resource portfolios to load.

Modeling of existing generators in future TPP cycles should be reviewed

Also, during the September TPP meetings, CAISO indicated that it had heard from a lot of stakeholders about the importance of the assumptions surrounding modeling of existing generation. Generally, CAISO currently assumes that resources will remain online until they reach a 40-year life or until the end of their contract (whichever is *later*).

ACC shares the concerns that several other stakeholders have expressed about this assumption and whether it realistically represents the future state of the CAISO grid. While CAISO indicated that it will be considering the appropriateness of this assumption for future TPPs, it has not clarified the timeline or venue for such a discussion. CAISO should immediately determine the appropriate venue and timing for such a discussion and communicate those pieces of information to stakeholders.

Treatment of renewable generation additions which are not inside of the CAISO Balancing Authority Area (BAA)



There are a number of new generation resources which are planning to deliver to load serving entities within CAISO, but which directly interconnect to another BAA in the Western Interconnection and utilize transmission service to reach the CAISO's BAA. Several of these resources have signed Power Purchase Agreements with load serving entities in the CAISO and the quantity of resources that fit this description may increase going forward. However, it is unclear to ACC how these BAA to BAA transmission service requests are considered, if at all, in the context of the TPP. CAISO should provide additional clarity on how it plans to address these types of resources going forward to ensure it has planned the CAISO transmission system to accommodate these energy deliveries.

CAISO should open a stakeholder initiative to address the outstanding issues in the TPP

As suggested by ACC in the CAISO Stakeholder Policy Initiatives Catalog Process, the needs of the electric grid have changed considerably over the last several years but yet the TPP has not been significantly refined to reflect these changes. The time is ripe for the CAISO to consider whether the current TPP processes are appropriately ensuring the most cost-effective and efficient transmission and non-transmission alternatives are selected and that such facilities meet California's public policy goals and that the assumptions utilized in the TPP are appropriate for achieving those goals. As outlined in the previous sections of these comments, there are multiple areas where revisions and clarifications to TPP processes and assumptions are necessary. ACC urges the CAISO to open a stakeholder process to address the issues identified in these comments, as well as the other TPP-related items ACC and other stakeholders have raised (including CAISO's evaluation of transmission that reaches outside its boundaries, economic benefits of transmission lines that deliver renewable energy, etc.)

EODS Assumptions should be reviewed and revised

ACC is concerned by the assumption in the TPP that about 40% of new generation resources will be energy-only (EODS). While the assumption is consistent with the modeling conducted in RESOLVE, it does not appear to comport with the reality of the commercial preferences of load serving entities. Market buyers appear to highly value Full capacity Deliverability Status (FCDS) and have not been seeking EODS resources. If buyers continue to seek renewable energy contracts almost entirely with FCDS resources, studying 40% of new resources as EODS could result in severely under planning the transmission system to achieve California's RPS requirements. Because the CAISO is only studying sensitivities for its policy-driven studies during the 2018-19 TPP, at a minimum it should study a sensitivity where closer to 100% of all new generation resources are FCDS to better understand the transmission facilities that would be required if the current preference for FCDS resources continues.

Incremental wind additions studied in the 2018-19 should be consistent with the Integrated Resource Plan (IRP) assumptions



The 2018-19 policy-driven sensitivity studies will include generic resources sited at the substation locations developed by the California Energy Commission (CEC). Many of the incremental wind resources that are included in the portfolios, and sited at substation locations by the CEC, are in fact designated as “re-powers” of existing wind facilities. The CEC indicates that 682 MWs of wind capacity is “re-power.” Because RESOLVE assumed that all existing generation (including these wind resources) remained online, ACC seeks clarification that the MW of re-power are *incremental* to the wind capacity on the existing system. In other words, the “re-power” MW included in the portfolios should be *in addition* to the capacity of the existing wind resources at those locations. ACC believes this will be the case, but wants to ensure that there is consistent treatment in the incremental MW of wind that is modeled in the TPP and in the IRP’s Reference System Plan.

Conclusion

ACC appreciates the CAISO ongoing efforts to plan transmission to meet California’s reliability, economic and policy needs. ACC urges CAISO to address the deficiencies in its transmission planning with urgency – it is imperative for California’s clean energy future that the CAISO study, and approve the necessary transmission, for California’s increasing portfolio of renewable resources.