



## **Comments of the American Wind Energy Association (AWEA) California on the CAISO's November 16, 2018 Transmission Planning Process (TPP) Stakeholder Meeting**

November 30, 2018

### **Comment Summary**

AWEA California appreciates the opportunity to comment on the CAISO's November 16<sup>th</sup> TPP stakeholder meeting and the material and content presented during that meeting.

First and foremost, it is critical that the CAISO provide additional process and opportunity for stakeholder discussion on the newly proposed deliverability assessment methodology. While AWEA California appreciates the time and effort that CAISO has put into the proposal, and believes the proposed methodology may be an improvement over the current methodology, stakeholders need additional time and opportunity for discussion to fully understand the implications of this new proposal before it is adopted.

The impacts of the CAISO deliverability assessment methodology could be far reaching, including potentially substantial commercial implications, and the CAISO should set up one or more workshops, which include additional documentation of the methodology to provide stakeholders with more input and a better understanding of the proposal. This request for additional process was reiterated by many stakeholders during the November 16<sup>th</sup> meeting. Many parties impacted by this proposal, including existing generators which may be subject to increased curtailment as a result of its adoption, are not aware of the proposed change and its potential implications. As discussed more below, the CAISO should provide additional stakeholder process and analysis prior to moving forward with the new methodology.

Additionally, AWEA California reiterates many of the issues that were brought up in the last set of comments submitted in the TPP.<sup>1</sup> Previously, AWEA California commented on the substantial quantity of Energy Only Deliverability Status (EODS) resources in the 42 MMT portfolio and the host of problems this assumption creates in both the TPP and related processes, such as the Integrated Resources Planning (IRP) process. We continue to express deep concern about this assumption and its potential implications for reaching the state's long-term climate objectives. It would be prudent for the CAISO to study the impact of all 42 MMT portfolio resources studied as Full Capacity Deliverability Status (FCDS) under the proposed deliverability methodology as quickly as possible, to begin to understand the transmission that might be necessary to deliver the 42 MMT portfolio. As in previous comments, AWEA California

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<sup>1</sup> See AWEA CA TPP Comments (October 5, 2018), available at: <http://www.aiso.com/Documents/ACCComments-2018-2019TransmissionPlanningProcess.pdf>



continues to urge the CAISO to ensure that the 2019-20 TPP finally studies (and provides for approval) of transmission necessary for California to achieve its public policy requirements.

AWEA California continues to seek a more substantive stakeholder process on the TPP to address outstanding issues within the TPP and the increasingly complex interaction between the ISO's various study processes, especially the interaction between economic assessments and public policy-driven assessments.

**Additional Stakeholder Process on the Deliverability Assessment Methodology is Required, including a Written Description of the Methodology**

As many stakeholders pointed out during the November 16<sup>th</sup> meeting, the impacts of the CAISO's deliverability assessment are wide ranging. The deliverability assessment may impact the Resource Adequacy (RA) program and resources' Net Qualifying Capacity (NQC) determinations, the interconnection process, the TPP, the IRP, and the amount of curtailment experienced on the ISO's system in the future (for existing and new generators). Therefore, the stakeholder process for changing the methodology should be more comprehensive than a single discussion lumped into a TPP stakeholder meeting.

Many of the parties that could be impacted by this proposal may not even be aware of its existence, as they may not generally participate in the TPP. There should be an opportunity for broader awareness and participation for all impacted parties.

While the proposal will certainly impact new resources through the TPP and the Generator Interconnection Process (GIP), the ISO also indicated it may lead to additional curtailment within the ISO. This has the potential to negatively affect existing generators, especially those generators with contracts that do not provide for full compensation for all curtailment. The ISO should consider these commercial implications and existing generators should be given an opportunity to comment on the proposal and better understand its potential impacts.

Additional specificity and, preferably a written summary of the methodology, should be reviewed with stakeholders in a dedicated workshop prior to adopting this methodology. This will give stakeholders an opportunity to propose potential revisions and also give the ISO a chance to better understand, and plan for, the potential implications of the new methodology.

**Additional Studies Should be Performed and Consideration be Given to the Impacts of this Proposal on the IRP and Future Curtailment**

The new deliverability assessment methodology will likely impact the IRP process and will certainly impact future TPPs and GIPs. Historically, the CAISO has provided information into the IRP on the capability of the system to accommodate FCDS resources in various renewable



energy zones. Presumably the deliverability assessment plays an important role in the analysis and the figures that are provided to the CPUC.

The ISO should work with the CPUC and stakeholders to consider how the new deliverability proposal will impact the transmission availability figures provided to the CPUC for the IRP and the potential impacts that may have on the IRP and, subsequently, future TPPs. It is critical for the ISO to understand how the new deliverability proposal will impact the FCDS capacity that the CAISO communicates to the CPUC for use in the IRP. If the deliverability proposal allows more resources to be accommodated as FCDS on the same transmission system, that may be beneficial for a number of reasons, but it may also lead to significant curtailments (as are expected under the 42 MMT portfolio, even though 40% of those resources are EODS).

Therefore, the ISO should perform a study using the proposed deliverability methodology to see how it impacts the amount of FCDS available in each renewable energy zone. This will help the ISO, and stakeholders, better understand whether the proposal will potentially allow more FCDS for the 42 MMT portfolio while still seeing significant levels of curtailment that are being expected in the current 42 MMT portfolio.

Alternatively, the CAISO could study, as a sensitivity in the TPP, the 42 MMT portfolio, using the new deliverability methodology and assuming that *all* the resources in the portfolio are FCDS. This would also help the ISO, CPUC and other interested parties to better understand the transmission implications that may be associated with the 42 MMT case (if most resources are FCDS, consistent with commercial preferences) and the need for transmission projects to achieve policy goals in the coming decade. This level of analysis is critical to ensuring California is on track to meet its public policy requirements.

### **The ISO Needs to do the Above to Ensure it is Ready to Study and Approve Transmission to Meet Policy Goals in the 2019-20 TPP**

AWEA California 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. In order to ensure that the need for transmission isn't perpetually kicked from one proceeding (the IRP) to another (the TPP) with no new policy-driven transmission being undertaken, the ISO needs to conduct some "pre-testing" of the new deliverability methodology and the 42 MMT case (as fully deliverable), as discussed above.

It is imperative that the ISO begin to study and evaluate what transmission might be necessary to reach a 60% RPS, so that the state can start evaluating how it will move beyond 60% to the 100% clean energy goal established in SB 100. The delay in meaningful policy-driven 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.

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

As suggested by AWEA California in the CAISO Stakeholder Policy Initiatives Catalog Process, the needs of the electric grid have changed considerably over the last several years, but the TPP has not evolved in a way to meaningfully address 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.

The ISO itself dedicated part of its TPP meeting to discussing the increasing complexity and iterative nature of the TPP assessments. Specially, the delineation between economic and public policy transmission needs is becoming increasingly blurred. There are multiple other areas the ISO should consider in a TPP stakeholder initiative, including better defining how the ISO considers renewable generation additions and new transmission projects to deliver those resources that are not inside of the CAISO Balancing Authority Area (BAA).

AWEA California urges the CAISO to open a broad stakeholder process to address potential modifications and clarifications to the TPP (including the CAISO's evaluation of transmission that reaches outside its boundaries, economic benefits of transmission lines that deliver renewable energy, etc.)

### **Conclusion**

AWEA California urges the CAISO to provide more analysis and opportunity for review of the deliverability proposal. This level of analysis is needed to integrate with the IRP and start planning for the transmission necessary for a 60% RPS. AWEA California also requests that the CASIO open a stakeholder initiative to consider potential modifications to the TPP to address the need for regional coordination.