



Comments of the American Wind Energy Association of California (AWEA-California) on the CAISO's Draft Study Plan for the 2019-20 Transmission Planning Process (TPP)

March 14, 2019

Comment Summary

AWEA-California appreciates this opportunity to comment on the CAISO Draft Study Plan for the 2019-20 TPP. AWEA-California's comments are focused on two topics:

- CAISO's proposed analysis of policy-driven cases that include regional renewable resources which require new transmission development and;
- The stakeholder engagement process for moving forward with implementation of the proposed generation deliverability assessment methodology.

Generally, AWEA-California urges the CAISO to use the renewable portfolios transmitted by the California Public Utilities Commission (CPUC) to conduct a transmission planning exercise that provides useful information, from a transmission planning perspective, for continued improvement of the CPUC's Integrated Resource Planning (IRP) Process and for use by other stakeholders. The CPUC's IRP analysis found that portfolios, which include significant amounts of regional renewable resources offer California ratepayer savings between \$300-558M, even when accounting for incremental transmission investments. Meaningful transmission planning by CAISO, through the TPP, is critical for all renewable resources to deliver to California customers, and must not be foregone for these cost-effective portfolios. Additionally, AWEA-California also urges the CAISO to specify the venue and timing for discussions surrounding changes to the generation deliverability assessment methodology and to work with stakeholders to develop a process that provides the most useful information regarding the change in the generation deliverability methodology.

AWEA-California looks forward to continued involvement in CAISO's TPP and related initiatives and appreciates CAISO's consideration of these comments.

CAISO's 2019-20 TPP Should Include a Full Assessment of Transmission Necessary to Achieve California's Policy Goals

Although the CPUC has yet to formally transmit policy-driven portfolios for analysis in the 2019-20 TPP, some of the cases being considered for transmittal include regional renewable resources (wind in Wyoming and New Mexico) which would require construction of new transmission to deliver the associated output to CAISO. Based on the CPUC's estimates, after



paying for the transmission required to deliver these resources to CAISO, these portfolios would save ratepayers \$300-\$558M, compared to a case that excludes them.

The CPUC is considering transmitting “Case C” (which includes 2,250 MW of New Mexico wind that requires new transmission and 2,000 MW of Wyoming wind) to the CAISO for analysis as a “policy-driven sensitivity case” in the 2019-20 TPP. This transmittal provides CAISO an opportunity to analyze transmission solutions to these wind resources, with no obligation to recommend approval of any transmission investments as part of the analysis. CAISO has an opportunity to take a leadership role in this regard, supporting, through study work and information provision, cost-effective achievement of California’s clean energy goals. A thorough and complete assessment of Case C in the 2019-20 TPP provides a path for CAISO to further the collective understanding of transmission solutions and delivery of these resources, without forcing CAISO to commit to any further steps to approving transmission. This type of information would be valuable to the CPUC, LSEs, and other stakeholders as they do their part to support achievement of California’s policy goals.

Unfortunately, it appears CAISO is does not want to take the opportunity to lead on this issue. During the stakeholder meeting on the 2019-20 TPP, CAISO indicated that if it received portfolios of resources which include out-of-state wind requiring new transmission (as policy driven sensitivities from the CPUC) CAISO would **not** conduct meaningful transmission planning to these new resources. Rather, CAISO indicated it would only analyze delivery of those resources from CAISO’s existing boundaries to CAISO load, effectively assuming the remaining transmission should not be analyzed in the TPP. While this type of study is a useful starting point, the proposed analysis is incomplete and does not provide the CPUC and others with the transmission planning information that CAISO, as the transmission planner, should provide.

It is noteworthy that CAISO already studied the ability to integrate 2,000 MW of Wyoming wind and 2,250 MW of New Mexico wind as part of the Interregional Transmission Project and 50% RPS Out-of-State Special Study. In that analysis, CAISO found there was sufficient Maximum Import Capability (MIC) for renewable delivery to the CAISO system at major delivery points in the northwest and the southwest. Recreating that assessment in the 2019-20 TPP, with a modified portfolio of resources inside the CAISO footprint, is one step in analyzing the renewable portfolios provided by the CPUC, but it does not provide a sufficient level of information for additional actions to be taken by the CPUC in the IRP and does not result in a full analysis of the policy base case and sensitivity portfolios expected to be transmitted by the CPUC.

It is CAISO’s responsibility to conduct a comprehensive assessment of the transmission resources necessary to fully deliver the resources to CAISO load. CAISO must assess the transmission necessary to move these resources from their approximate locations to CAISO’s boundaries in the 2019-20 TPP. This assessment should include review of current transmission



solutions that are being explored and any other, new solutions CAISO may offer for consideration. To reiterate, this assessment would not obligate CAISO to recommend approval of any transmission solutions that are analyzed to deliver these resources, but would result in a study which might identify the best/most cost-effective transmission solutions to deliver those resources and provides other useful information on expected transmission costs and delivery options.

Of course, AWEA-California acknowledges that the assessment of resources that are not, currently, connected to CAISO's system is somewhat unique. But CAISO has previously assessed (and even approved) transmission projects to extend its own boundaries beyond the historical footprint and there is no reason for different treatment in this case. If CAISO fails to conduct complete transmission planning on Case C, or other portfolios that include regional resources on new transmission, CAISO will deprive the CPUC of the information and analysis that is presumably sought through this expected transmittal.

The transmittal of these portfolios as sensitivities gives CAISO an opportunity to assess necessary transmission to these resources, their costs and the relative strengths and weaknesses of different options without a need to approve transmission projects in the 2019-20 Transmission Plan. CAISO should seize on this opportunity and conduct a meaningful study to provide relevant and helpful information to the CPUC and to LSEs as they embark on continued IRP and procurement-related activities.

Stakeholders Require Information on Where the Additional Stakeholder Process on the Generation Deliverability Methodology Will Take Place

During the 2018-19 TPP, CAISO proposed modifications to the Generation Deliverability Assessment Methodology to better align this methodology with evolving system conditions and generation deliverability needs. AWEA-California supported implementation of the new methodology on the condition that CAISO open up another stakeholder process to address other CAISO processes and procedures that may be affected by the change. Other stakeholders raised similar issues related to affected processes and impacts, as a result, CAISO elected to delay implementation of the new methodology until Q1 2020.

In the market notice announcing this decision, CAISO indicated additional stakeholder engagement on this topic was planned for the second quarter of 2019. However, it is unclear what venue this additional stakeholder engagement will occur in, when it might occur, and what exactly CAISO might review through upcoming stakeholder engagement. CAISO should provide clarity to stakeholders on future stakeholder engagement opportunities and work to develop a scope that addresses the concerns originally raised by stakeholders.

AWEA-California thought that additional stakeholder process on the deliverability assessment methodology might occur under the umbrella of the 2019-20 TPP. However, the Draft Study



Plan for the 2019-20 TPP does not address this topic. Additionally, CAISO's Draft 2020 Policy Initiatives Catalog does not include descriptions of potential stakeholder processes that would address the issues raised in comments on the new generation deliverability methodology.

As quickly as possible, CAISO should provide clarification on the venue for discussions on this topic and outline the expected scope of the upcoming stakeholder engagement. As stated in previous comments, AWEA-California suggests that the stakeholder engagement process include evaluations of whether the changes to the deliverability assessment methodology necessitates changes to CAISO's current TPP practices, especially economic assessments conducted under the CAISO's Transmission Economic Assessment Methodology (TEAM).

AWEA-California supports an assessment of TEAM's ability to accurately quantify economic benefits of potential transmission solutions given portfolios with high renewable resource penetration (such as the 32 MMT case, or sensitivity Cases C and D, being contemplated for transmittal to the CAISO for policy-driven sensitivity analysis) and little new transmission investment resulting from the interconnection process or the reliability-based assessment in the TPP. One or more "test cases" would be highly valuable to review with stakeholders in the coming months. AWEA-California encourages CAISO to talk with stakeholders to establish the questions that need to be answered and the approach that can be taken in order to conduct a stakeholder process that provides greater comfort in moving forward with the new generation deliverability assessment methodology.

Conclusion

AWEA-California appreciates CAISO's consideration of these comments and looks forward to additional discussions on how future stakeholder processes and the 2019-20 TPP can provide useful information to a variety of stakeholders, including the CPUC and the LSEs subject to the CPUC's IRP process.