

Market Initiative	BAMx Support/Oppose	Additional Comments
Applying Deliverability Criteria to TPP Renewable Resource Portfolio (New Write-In Initiative)	Strongly Support	<p>Under GIDAP, major ratepayer-funded transmission upgrades are addressed through the transmission planning process based on renewable generation portfolios developed through the CPUC process. Since all generation needed to meet the 33% goal are assumed by the CAISO to be fully deliverable, the CAISO applies its deliverability assessment methodology to the entire renewable portfolio in evaluating the need for Policy Driven transmission projects. BAMx proposes a separate stakeholder initiative to reevaluate the CAISO's current practice of applying its deliverability methodology on the entire renewable resource portfolios without considering Energy-only resources or assessing congestion. The CPUC is undertaking efforts to revise various components of the 33% RPS Calculator that is used to develop the renewable TPP portfolios under the CPUC RPS proceeding.¹ We understand that the new version of the 33% RPS Calculator's (Version 6.1) resource selection likely will depart from the existing algorithm and will likely look at whether a renewable resource may be more economical if it is assumed not to be "Deliverable" for resource adequacy purposes. In other words, under the new calculator, while a "non-Deliverable" or "Energy-Only" renewable resource option would have no RA value, it would be equivalent to any other "Full Capacity" resource in terms of meeting the State's 33% RPS goal.² Furthermore, the new renewable portfolio mix developed by the new calculator may recognize a much lower overall cost associated with a "Energy Only" renewable resource option, because these projects would not be tagged with the high transmission costs that the CAISO identifies to make the renewable resource option "Deliverable." Although the CPUC is taking steps that will lead to the adoption of more cost effective portfolios, the calculator was</p>

¹ See the CPUC "Administrative Law Judge's Ruling (1) Issuing An Energy Division Proposal On The Renewables Portfolio Standards Calculator, (2) Entering The Proposal Into The Record, And (3) Setting A Comment And Workshop Schedule," Rulemaking 11-05-005, dated October 10, 2014

² *Ibid.* See *Treatment of Energy-Only Projects*, pp. 22-23 of the *Attachment: California Public Utilities Commission Energy Division's Staff Proposal on the RPS Calculator*.

Market Initiative	BAMx Support/Oppose	Additional Comments
		<p>never intended to be the ultimate resource for making the most economical decision for ratepayers going forward. The CAISO should consider, through this proposed separate stakeholder process how it could further refine a methodology for selecting policy-driven transmission that is economic by evaluating, among other things, the likely congestion associated with the lack of transmission additions. BAMx believes that now is the right time to reevaluate the CAISO's approach to determine policy-driven projects in TPP given the recent developments under the CPUC RPS proceeding.</p>
<p>10.7.1 Comprehensive Review of Methodology for determining Maximum Import Capability (MIC)</p>	<p>Support</p>	<p>If the transmission capacity needed to obtain additional RA from the Imperial Valley resources can be accomplished without expensive transmission upgrades, those mechanisms should be pursued. BAMx supports a stakeholder process for a comprehensive review of methodology for determining MIC, but believes it should have a lower priority over 10.7.2.</p>
<p>10.7.2 Reallocation of Maximum Import Capability between Electrically Adjacent Import Paths to achieve State Policy Objectives</p>	<p>Strongly Support</p>	<p>BAMx support the concept of re-allocating Max Import Capacity (MIC) expected to be unused to interties where there is an expectation of use, such as those interconnecting to the Imperial Irrigation District (IID). That said, such a transfer should not occur unless the transferred MIC actually gets utilized to meet the state's RA needs. Therefore, it is important to investigate timing issues for any MIC transfer. If Tariff changes are required to accomplish this goal, we suggest that a separate stakeholder process be started as soon as possible.</p>
<p>13.19 Deliverability Network Upgrade Planning Criteria</p>	<p>Strongly Support</p>	<p>In the 2015 Stakeholder Initiatives Catalog, the CAISO insinuates that with the introduction of GIDAP (starting cluster 5), the possibility of major ratepayer funded transmission upgrades that were historically resulted through the generation interconnection process has diminished. Under GIDAP, major ratepayer-funded transmission upgrades are addressed through the transmission planning process based on renewable generation portfolios developed through the CPUC process. Since all generation needed to meet the 33% goal are assumed by the CAISO to be fully deliverable, the CAISO applies its</p>

Market Initiative	BAMx Support/Oppose	Additional Comments
		<p>deliverability assessment methodology to the entire renewable portfolio. BAMx agrees with the CAISO that GIDAP is a welcome step in the right direction, but it does not solve the problem of the use of the methodology for RPS studies resulting in expensive transmission without consideration of lower cost alternatives that also satisfy state policy goals. In their July 28th comments on the CAISO’s Imperial County Transmission Consultation initiative, several stakeholders, including the Center of Energy Efficiency and Renewable Technologies (CEERT) and Imperial Irrigation District (IID), have expressed confusion over the existing CAISO Deliverability Methodology and express the need to further evaluate it. The current methodology is at the heart of how deliverability is determined for the resources that are both internal and external (Maximum Import Capability) to the CAISO controlled grid. The CAISO cites its <i>Technical Paper on Generator Interconnection and Deliverability Study Methodology</i>³ as the basis for restricting the ability of market participants to count Resource Adequacy credit from resources. Many, including the CPUC Energy Division, have asked for a separate stakeholder process to review the CAISO’s Deliverability Assessment.⁴ BAMx and several other stakeholders believe that the deliverability methodology is overly severe and potentially leads to unnecessary ratepayer funded transmission development. The recent developments under the CAISO’s Imperial County Transmission Consultation initiative have reinforced the need for a separate stakeholder process to at least consider adjustments to the deliverability study methodology.</p>

³ See <http://www.caiso.com/Documents/TechnicalPaper-GeneratorInterconnection-DeliverabilityStudyMethodology.pdf>

⁴ Among many stakeholders requesting such a process was an unprecedented step taken by the CPUC Energy Division through a letter from the Energy Division Director to the CAISO Vice President of Market and Infrastructure Development and Executive Director of Transmission Planning, dated December 19, 2012. See <http://www.caiso.com/Documents/CPUCCommentsDeliverabilityMethodologyTraining.pdf>