

California Consumers Alliance (CCA) appreciates the opportunity to submit comments regarding the CAISO *2013/2014 Unified Planning Assumptions & Study Plan Transmission Planning Process*.

On December 19, 2012, as the initial step of its 2013/2014 transmission planning cycle, the CAISO informed its Market Notice recipients that it was *seeking stakeholder input on demand response assumptions and generation or other non-transmission alternatives for consideration in the draft unified planning assumptions and 2013/2014 study-plan, in accordance with tariff Section 24.3.3(a)*.

We note that nothing in tariff Sections 24.3.2(a) or; 24.3.3(a) excludes the consideration of incremental increases in demand response programs, generation, or other resources that impact transmission planning, for use in the baseline planning assumptions. We are disappointed that CAISO staff has decided to limit consideration to *specific existing programs that can be relied upon at present*--this is not a reasonable or justified decision in setting forth to increase the consideration of non-transmission alternatives.

Consumers expect that decision-making processes that the CAISO carries out on their behalf will fully account for and maximize the value of both legacy and new investments in energy resources. Limiting consideration to existing program levels essentially discounts any further implementation of state policy priorities that provide direct benefits to consumers. It is incumbent upon CAISO to not only identify resources that have a material impact on transmission for utilizing in its baseline planning assumptions, but CAISO must also consider the full scope of public policy priorities affecting the provision of energy. Moreover, CAISO planning assumptions and analyses typically include incrementally increasing proxy levels of conventional resources--thus there is no legitimate reason why demand response, distributed generation or other resources that impact transmission planning are treated differently.

As it stands, we recognize that the data CAISO seeks from stakeholders regarding demand response, generation or other resources is geographically specific and sufficiently detailed to warrant inclusion in a highly conservative subset of the baseline planning assumptions. However, the February 28, 2012 presentation, *Unified Planning Assumptions & Study Plan Transmission Planning Process*, and CAISO staff's discussion with stakeholders indicate that a number of obstacles and limitations are undermining the incorporation of stakeholder submissions into the unified planning assumptions--not the least of which is how to go about relying upon stakeholder submitted information that is characterized as confidential. The opportunity that the CAISO provided stakeholders on December 19, 2012 is suffering from a fundamental flaw, illustrated by the CAISO treating submitted comments as proprietary information, similar to request window submissions, and exemplified by the fact that CAISO has not posted the

comments submitted for broad stakeholder review--as outlined in tariff Section 24.3.3(d): *...All comments on the draft Unified Planning Assumptions and the Study Plan will be posted by the CAISO to the CAISO Website.* Furthermore, unless the opportunity the CAISO has provided stakeholders results in an accurate accounting for resources that have an impact on the transmission planning process, it cannot even be relied upon as the means to account for existing resources in 2013/2014 planning assumptions. We urge CAISO to refocus on a transparent method to identify and incorporate realistic resource assumptions in its 2013/2014 study-plan.

As an alternative to the status quo, or punting the comparable treatment of transmission and non-transmission resources into future planning cycles, we urge the CAISO staff to coordinate with their colleagues at CEC and CPUC who have worked diligently to develop publicly reviewed, validated forecasts and goals for demand response, energy efficiency, combined heat and power, and customer sited distributed generation. The CAISO should note and take advantage of the Commissions' publicly available analyses, findings, and reports to the greatest extent practical--especially those works that contain information specifically intended for the purpose of utilizing in statewide electricity and transmission infrastructure planning processes.

We are encouraged by slide 22 of the presentation titled, *Unified Planning Assumptions & Study Plan Reliability Assessment Assumptions & Methodology* where the CAISO acknowledges it *shall consider lower cost alternatives to the construction of transmission additions or upgrades, such as: acceleration or expansion of existing projects, demand-side management, special protection systems, generation curtailment, interruptible loads, storage facilities; or reactive support.* The CCA has repeatedly called for the CAISO to assess lower cost alternative(s) whenever a reliability standard violation is identified. In particular, we request that CAISO explicitly add pre-contingency generation dispatch to its list of lower cost alternatives to the construction of transmission additions or upgrades.

The CCA also seeks additions to relevant Sections 4.1.19 (Study Methodology) and, 4.5 (LT CRR) of the 2013/2014 draft study plan; we request that CAISO consider additional language indicating that in each case where the reliability and long term congestion revenue rights assessments results in identified mitigation plan(s), the CAISO will present and or post the lower cost alternative(s) considered, and the results of CAISO determination, for stakeholder review.

CCA continues to hope that the comparable treatment of operational solutions and preferred resources will move forward in earnest; we see it as an opportunity to identify, examine and ultimately promote the most economically efficient, needed solution(s). In addition to developing realistic resource planning

assumptions, it would be helpful and instructive if the draft study plan removes vagaries, and clarifies for stakeholders what the CAISO expects of advocates in order for resources to be considered viable solutions to identified needs.

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