

## **COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON THE CAISO'S 2019-2020 TRANSMISSION PLANNING PROCESS, FEBRUARY 7, 2020 PROCESS MEETING**

FEBRUARY 21, 2020

The Center for Energy Efficiency and Renewable Technologies (CEERT ) appreciates the opportunity to comment on the February 7 stakeholder meeting regarding the 2019-2020 Transmission Planning Process (TPP) .

CEERT appreciates the CAISO's work in this TPP cycle to begin to look at policy driven resource portfolios beyond a 50% RPS and 2030. Although we believe that the 42 MMT/yr resource portfolio is still too conservative given the statewide policy trajectory, and the analysis should be based instead on, at a minimum, the 30 MMT/yr scenario, that may be for next year's TPP cycle. Still, however, CAISO should at least spot check the 30 MMT/yr scenario for any new transmission related issues so that a proper comparison of the generation portfolios can be made in this year's CPUC IRP cycle.

CEERT believes the lessons from the examination of the 42 MMT/yr scenario include the following that should be included for discussion in the Draft 2019-2020 TPP:

- The indicated new 230/500 kv transformer at Midway should be at least conditionally approved in this year's TPP. The need for this transformer arises because the Diablo Canyon energy arrives at Midway at 500 kv while its replacement energy (principally Central Valley solar) arrives at 230 kv. CEERT maintains that there is a significant risk that one or both Diablo Canyon units will not operate until the planned retirement dates of 12/2024 and 12/2025. The history of these units with unplanned CAPEX expenditures to repair 50 yr old components that fail "prematurely" is rich. This facility is deeply underwater today and getting worse by the day as wholesale energy prices continue to decline. PG&E has been deferring maintenance since at least the retirement decision in 2016 given the short cost recovery lifetime. Given the tight supply/demand situation for capacity related system resources at this point in time, it would seem to be prudent to replace Diablo capacity before retirement. While this is a CPUC decision, it would be foolish to have the timeline set by the lack of a 230/500 kv transformer.

- The significant economic benefit of the reliability driven \$15M reinforcement of the Sylmar/Pardee line raises interesting questions. First and foremost, CEERT applauds the recommendation to accelerate the COD for this project. However, we ask two questions that could be answered in this Draft TPP. Why did this project not show up in the economic assessment of opportunities to reduce LCR needs in the Big Creek/Ventura load pocket in last year's TPP? What impact might this project have on the economics of PDCI expansion that was studied two TPP cycles ago?

Thank you for the opportunity to comment. We look forward to publication of the Draft 2019-2020 plan.