

Electric Transmission America, LLC

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Comments on Cal ISO Proposed GIP and TPP Integration Process

- 1) California ISO's (Cal ISO) Revised Transmission Planning Process (RTTP) includes a new category "policy-driven" for transmission facilities necessary to achieve state policy goals including increased renewable energy targets of 33% by 2020. Large amounts of renewable generation projects are being proposed through the Cal ISO's generation interconnection queue process to meet the state's renewable goals, which in turn are driving the transmission build in California. In Cal ISO's 2010/2011 Transmission Plan, most of the network upgrades established through Large Generation Interconnection Procedure (LGIP) is also progressing through the approval process as projects required in support of California RPS goals under the RTTP. Since the RTTP now has the core responsibility of identifying the transmission elements needed to meet the state's 2020 RPS targets, ETA supports the integration of the two processes.
- 2) The Generation Interconnection Procedures is oriented towards identifying more locally focused reliability and delivery networks upgrades primarily to address reliability issues such as thermal overloads, short circuit or stability problems resulting from the new interconnection. The objective of this process is not necessarily to identify transmission to meet the policy goals. In contrast, the RTTP's task is to look at the big picture and conduct a best-fit transmission analysis based on a range of generation development scenarios to meet renewable targets. These scenarios consider factors such as how much generation is most likely to develop based on cost, permitting, environmental assessments amongst other aspects and where this generation will be located including out of state generation. ETA believes that the integration of the GIP and TPP will allow greater transparency resulting in the identification of more robust transmission solutions.
- 3) In the last planning cycle, the LGIP transmission upgrades formed a core part of the ISO analysis to determine the transmission that will be needed to meet policy goals. ETA commends Cal ISO for the assessments of these upgrades that are being and will be done under the various generation portfolios to determine if the projects will also meet the state's renewable targets. However, caution must be taken, as there is always the potential danger of incorporating a project that has been developed under a different set of drivers and consequently potentially missing opportunities for evaluating other transmission solutions.

- 4) Also, determining the transmission based on generation projects in queues that afford generation developers the opportunity to opt out could result in high cost expansion plans creating uncertainty not only for the transmission developers but also for generation developers alike. This could impact the timeline of achieving some of the policy goals. The integrating the Interconnection Customer into the RTPP after the initial GIP provides a forum to look at the renewable resource potential of various sites both in-state and out-of-state balancing out the renewable generation and transmission build and consequently development of more cost-effective solutions.
- 5) The issue of integration of GIP upgrade and TPP upgrade is reasonable only if the cost allocation mechanism is similar for these upgrades. If the GIP upgrade has a “but for” cost allocation versus a network upgrade that is eligible for a regional costs allocation there is a possibility for a transmission developer taking the risk for a significantly higher capacity line with returns commensurate of a costs of a pure network upgrade.