

Stakeholder Comments
2012-2013 Transmission Planning Process
Stakeholder Meeting April 2, 2012

Submitted by	Company	Date Submitted
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The High Desert Power Authority, a joint powers authority between the Cities of Lancaster and Pittsburg, submits the following comments in response to the CAISO Stakeholders meeting on April 2, 2012.

Topic 1: Kramer Transmission

Slide 41 of the CPUC/CEC presentation indicates that a new “Kramer” transmission segment would likely be required for the Commercial Interest Scenario of the proposed Generation Portfolios. While a new transmission segment is likely needed at Kramer under this and possibly other Portfolio scenarios, High Desert Power Authority takes strong exception to the CPUC, CEC or the CAISO characterizing this new transmission segment as the SCE-proposed Coolwater-Lugo project. For a number of reasons, we view the AV Clearview Transmission Project¹ currently being developed by High Desert Power Authority to be more in the interests of the solar industry, the ratepayers and the citizens of California.

More importantly, the inclusion of a “new Kramer transmission segment” as a consequence of the CPUC’s Portfolio analysis would place said transmission segment squarely into the category of “policy-driven” projects, regardless of its LGIA status. As such, any project that meets the reliability and power flow requirements of the CAISO baseline generation portfolio and LGIA generators (as AV Clearview does) must be evaluated on a *comprehensive* basis with all alternative projects.²

¹ The AV Clearview project has an initial capacity of 2,000 MW. The line runs north-south underground along county road right of way from the proposed Tucker substation that interconnects with the SCE Vincent-Lugo line in Littlerock to the proposed Yeager substation on the north side of Edwards AFB. The east-west component of the project connects the Yeager substation eastward to the Kramer substation and westward to the Windhub substation.

² Paragraph 34 of FERC order dated October 20, 2011: “ Furthermore, consistent with the RTPP Order, tariff section 24.4.6.5, as proposed in the compliance filing, provides that, if a policy-driven element is identified in Phase 2 of the RTPP, it could supplant the need for LGIP projects that may have otherwise been identified in a subsequent LGIP process. Therefore, under RTPP, CAISO comprehensively evaluates all needs and identifies the most efficient and effective projects to meet those needs, allowing, when appropriate, for a 2008 or 2009 request window project to be built by the proposing project sponsor for a policy-driven or economically-driven transmission element while also fulfilling other needs, such as reliability needs identified earlier in Phase 2.

Recommendations:

1. The new “Kramer” transmission segment should be referred to as “either the proposed SCE Coolwater-Lugo Project or suitable transmission alternative”.
2. The CPUC and the CEC should recommend that the CAISO evaluate viable alternatives in the 2012-2013 transmission planning process.

Topic 2: On-line Dates of New Transmission Segments

It appeared from discussions of Slide 41 during the stakeholder meeting that the Portfolio analysis is a forecast of a “snapshot” in 2022 and that neither the on-line date of generation or new transmission is factored into the Portfolio analysis. In reality, the on-line date of new generation may be the most important factor in predicting what generation will be constructed in the future.

As municipal hosts to dozens of prospective solar projects, we are in regular contact with a broad swath of renewable project developers. In every case, the Federal ITC figures prominently into their project finance plan, requiring interconnection by December 31, 2016 and deliverability for their energy produced. As timelines for transmission development slip further forward, California risks not being able to meet its renewable energy goals, as well as the loss of hundreds of millions of federal dollars.

The CAISO is uniquely capable of enabling California to meet its renewable energy goals, through the creation of a Statewide Transmission Plan that takes heed of the constraints imposed by Federal ITC guidelines and project development finance.

Recommendations:

1. As part of its analysis and evaluation, the CAISO should strongly weight the on-line date of proposed new transmission segments in their pursuit of public policy objectives.
2. Since the CAISO is already treating LGIA projects as solutions to broader policy-related interconnection and reliability challenges, the CAISO should address these electrical needs as the ‘policy driven projects’ that they are. By evaluating independent projects (such as the AV Clearview Project) as alternatives to LGIA projects, the CAISO has the ability to provide a comprehensive transmission solution that meets the needs of California on the timelines our economy and renewable industry require.