

## CAISO 2015/16 TPP: Stakeholder Comments

Submitted by	Company	Date Submitted
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LS Power appreciates the opportunity to provide additional details on the comments it previously submitted to CAISO on 3/9/15 for the CAISO 2015/16 Draft Study Plan. Through its comments, LS Power had submitted an economic study request for CAISO to study the SWIP North transmission project. Through these additional comments, LS Power is adding a few clarification items regarding this study request.

SWIP North transmission project consists of a new 500 kV circuit between Midpoint (Idaho Power) and Robinson Summit (NV Energy). Under the Transmission Use and Capacity Exchange Agreement with NV Energy, once SWIP North is built there would be an exchange of capacity between LS Power's affiliate, Great Basin Transmission, and NV Energy. Upon completion of SWIP North, NV Energy would get a share of the capacity between Midpoint and Robinson Summit and Great Basin would get a share of capacity between Robinson Summit and Harry Allen, without either party having to pay any amount to the other. As a result of this capacity exchange, each party would have bidirectional transmission capacity on the entire path from Midpoint to Harry Allen. Therefore, LS Power's economic study request is that CAISO study the benefits of approximately 1000 MW of bidirectional transmission capacity between Midpoint and Harry Allen, which will be available to the CAISO market upon completion of construction of SWIP North.

In addition to the economic benefits that CAISO calculates from Energy Savings and Congestion reduction, CAISO should also estimate Capacity Benefits from SWIP North. Adding SWIP North relieves certain reliability and economic constraints related to imports across CAISO's California Oregon Intertie (COI) path. This translates into incremental import capability into CAISO. This increase in incremental import capability should be accounted for to estimate Capacity Benefits of SWIP North. Further, SWIP North will improve EIM transfer capability between PacifiCorp East (PACE), PacifiCorp West (PACW), CAISO and NVE. PacifiCorp has 1090 MW transfer capability into Midpoint, and SWIP North should allow approximately 1000 MW of this transfer capability to access CAISO through this new transmission path between Midpoint & Harry Allen and further from Harry Allen to Eldorado through a new transmission line that was recently approved by CAISO Board. Incremental transmission capacity will likely lead to increased EIM transfers, which will increase EIM benefits for CAISO. Further increased EIM transfers between all regions will lead to reduction in the amount of Flexible RA capacity that CAISO Load Serving Entities will be required to procure. These increased EIM benefits to CAISO ratepayers should be also accounted for.

SWIP North also directly addresses certain Northern CA bulk transmission overloads identified in CAISO 2014/15 TPP and can potentially bring additional policy benefits by allowing out of state renewables to meet the likely incremental RPS goal (50%). As seen in the studies CAISO has performed under the

2014/15 LTPP process, over generation will be a challenging issue to address with 33% Renewable integration. This issue will undoubtedly become even worse if RPS procurement goal increases to 50%. SWIP North line can potentially be a part of the solution in addressing this issue. SWIP North will allow geographical diversity to incremental RPS build out which will help reduce locational aspects of congestion caused by over generation. Lastly, as per the recent announcement of PacifiCorp integration with CAISO, we believe SWIP North is ideally located that it should allow enhanced transmission capacity between PACW, PACE & CAISO which should further enhance the benefits of CAISO PacifiCorp integration. As part of this year's economic study, we recommend that CAISO analyze and quantify these additional benefits as well.

We believe SWIP North has significant economic and reliability benefits which have not yet been quantified in CAISO's previous Transmission Planning Process analysis. We highly recommend that CAISO evaluate these benefits as part of the 2015/16 Transmission Plan.

We stand committed to assist CAISO in completing this analysis, as needed. LS Power thanks CAISO staff for the opportunity to provide these additional comments.