CAISO 2018/19 Transmission Plan: Stakeholder Comments

Submitted by	Company	Date Submitted
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LS Power appreciates the opportunity to submit comments on the "Informational Study: Increased Capabilities for Transfers of Low Carbon Electricity between the Pacific Northwest and California" section of CAISO's 2018/19 Transmission Planning process.

Increased Capabilities for Transfers of Low Carbon Electricity between the Pacific Northwest and California: Near Term Assessment

CAISO staff presented its analysis on increased capabilities of transfers of Low Carbon Electricity between the Pacific Northwest and California. CAISO concluded that under certain operating conditions the COI rating of 4800 MW in the N-S direction can be increased to 5100 MW. In the S-N direction, PDCI flow which is currently limited to 1000 MW can potentially go up to 1500 MW. Operating solutions and/or transmission upgrades will be needed to enable these higher ratings. It is unclear at this time whether CAISO and other Path Operators will seek the higher ratings through the WECC Path rating process or not.

LS Power requests CAISO to clarify the following questions:

(1) It appears that the decision to use the higher path limits will be made in Real Time Operations. If that is the case, will the CAISO Day Ahead Market use the existing ratings?
(2) LS Power understands CAISO, BPA, and LADWP will be conducting additional studies before CAISO finalizes its recommendations on Near Term Assessment. If transmission upgrades are recommended to enable higher path limits, will CAISO be comparing these upgrades with other solutions, such as new transmission projects that may help achieve even higher PAC-NW to CA transfers but via different transmission paths?

Increased Capabilities for Transfers of Low Carbon Electricity between the Pacific Northwest and California: Long Term Assessment

CAISO conducted a Long Term Assessment to analyze the potential of improved transfer capabilities from PAC-NW to CA in the Long Term. As part of this analysis CAISO studied COI congestion under various dispatch scenarios for Pacific NW Hydro and concluded that the COI path gets congested in all scenarios. CAISO's analysis shows the number of hours in a year this path can get congested but did not quantify the cost impact of this congestion. As CAISO finalizes its analysis, it should also report this congestion cost.

Further, it appears CAISO's congestion analysis was performed using the full 4800 MW N-S limit for the COI path, not the 3200 MW N-S scheduling limit for PACI interface[1]. Using the full 4800 MW COI rating will undoubtedly mask congestion that is routinely witnessed on this path, as noted in CAISO Annual DMM reports. Including the 1600 MW capacity of the California-Oregon Transmission Path[2] COTP path, which isn't owned by CAISO LSEs, for energy transfers into CAISO is an improper assumption for this analysis. In addition, as noted in CAISO's presentation, 1200 MW out of the 3200 MW PACI scheduling limit comprises of Existing Transfer Capabilities (ETCs) and Transmission Ownership Rights (TORs) that are owned by entities outside CAISO. This leaves only about 2000 MW out of the total 4800 MW on COI that CAISO should use for its economic analysis. The other 2800 MW should be modeled with a large hurdle rate for flow to enter the CAISO system. Unless CAISO correctly captures these scheduling realties, its economic analysis will lead to inaccurate findings. Consistent with LS Power's comments recently submitted[3] it is extremely important to capture COI/PACI congestion accurately in CAISO's Planning Analysis. Once this congestion is correctly captured, Economic Projects submitted into this year's Planning process should be studied to understand if any of these projects help address congestion and thereby lead to ratepayer savings. This additional work will make great strides in providing useful conclusions for this Special Study and will help guide policy makers in decision making with respect to whether transmission investments should be made to increase PAC-NW to CAISO transfers. This analysis can also guide the 2019-20 IRP process with respect to portfolios that should be used for CAISO's 2019/20 TPP.

LS Power appreciates the opportunity to provide these comments.

[1] PACI is the CAISO scheduling interface and COI is a WECC path. PACI is a subset of COI and its scheduling capability is limited to 3200 MW.

[2] http://www.tanc.us/cotp.html

[3] http://www.caiso.com/Documents/LSPowerComments-2018-2019TransmissionPlanningProcess-Nov162018.pdf