CAISO 2013/14 Transmission Study Plan: Stakeholder Comments

Submitted by	Company	Date Submitted
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LS Power appreciates the opportunity to submit comments on CAISO's 2013/14 Transmission Study Plan. If there are any questions regarding these comments, please feel free to contact us.

(1) Out of State Resource Assumptions

Section 4.2.1 of the Study Plan states that Step 1 in the 33% renewable resource analysis methodology is: "Establish renewable portfolios to be studied that are aligned closely with the portfolios developed by CPUC and used by the ISO in its renewable integration studies. In accordance with tariff Section 24.4.6.6, the renewable portfolios will reflect such considerations as environmental impact, commercial interest and available transmission capacity, among other criteria. Multiple portfolios have previously been developed, but may need to be updated."

In addition, Section 4.2.1 states:

"The CPUC and CEC provided the ISO with the RPS portfolios to be used in the 2013-2014 transmission planning process on February 8, 2013. The RPS portfolio submission letter is located on the ISO website at the following link:
http://www.caiso.com/Documents/2013-2014RenewablePortfoliosTransmittalLetter.pdf "

However, there is a contradiction in the CPUC and CEC RPS portfolios in that such portfolios do not recognize the potential for out of state resources. Specifically, the February 7, 2013 submission letter does not even include consideration of out of state resources with **existing Power Purchase Agreements approved by the CPUC** and which **are currently in operations delivering energy**. Clearly these out of state resources are viable and should be given consideration in the Transmission Plan. For example, the following out of state resources have existing Power Purchase Agreements with CAISO members which have been approved by the CPUC, but do not appear to be listed as in any of the renewable resource portfolios:

- 845 MW Shepherds Flat project in Oregon
- 125 MW Goshen project in Idaho
- 189 MW Glacier project in Montana

These resources are an indication that additional out of state resources could be economic and merit evaluation, such as Wyoming wind.

(2) Economic Study Requests

LS Power requests two transmission segments for economic studies in the 2013/14 Transmission Plan:
(a) Harry Allen – Eldorado 500 kV Line
(b) Harry Allen – Eldorado 500 kV Line in conjunction with Robinson Summit to Harry Allen ("ON Line") and Midpoint to Robinson Summit 500 kV line

In the 2012/13 Transmission Plan, Harry Allen-Eldorado was found to be economic. As of the 3/13/13, this project is not being taken to the March board meeting for approval due to other ongoing studies. While we recommend CAISO to take this project to the Board later this year after the ongoing studies are complete. However, in the event this project cannot attain Board approval this year, we request that this be a high priority economic planning study for the 2013/14 Transmission Plan. Also, in addition to the energy saving benefits that were quantified in 2012/13 Transmission Plan, 2013/14 studies should also quantify capacity benefits that this project will provide.

Given existing out of state resources with power purchase agreements identified above, as well as existing transmission system congestion evidenced by the high price differential between market prices at the Mid-Columbia hub and South Path-15 hub, incremental regional transmission between these markets is likely to be economic. We request consideration of Phase 2 of the Southwest Intertie Project as an economic planning study. The Southwest Intertie Project consists of a new single-circuit 500 kV transmission line from the Midpoint substation in Idaho to the Robinson Summit Substation in Nevada to the Harry Allen Substation in Nevada to the Eldorado Substation in Nevada, which is owned by Southern California Edison. Phase 1, the segment from Robinson Summit to Eldorado is known as the One Nevada Transmission Line or ON Line and is currently in construction. The southern-most portion of the project, from Harry Allen-Eldorado, was found to be economic on a stand-alone basis in the 2012/13 Transmission Plan. The last section, from Midpoint to Robinson Summit, represents a relatively small incremental investment to complete a much larger path. Together with the Boardman-Hemingway project in development by Idaho Power, Bonneville Power Administration, and PacificCorp, Phase 2 of the Southwest Intertie Project provides significant incremental deliverability from the Mid-Columbia hub to South Path-15.

Besides offering Economic benefits to CAISO ratepayers, the two transmission segments also bring several additional benefits: help meet policy objectives, improve reliability & operational flexibility and offer a potential solution for SONGS shutdown scenario. Therefore, more detailed technical studies (in addition to economic studies) should be conducted by CAISO staff to assess these additional benefits in the 2013/14 Transmission Planning cycle.

(3) <u>Status of Under Construction Projects</u>

CAISO's Draft Transmission Plan provides a list of Planned Generation projects, under Appendix A-2, Table A2-1, page A-23. This list is incomplete. There are several additional generation projects that are currently under construction and will be online in the near term but are not on this list. LS Power's Centinela Solar Energy Facility connecting to Imperial Valley substation is one such example. CAISO should review this list for completeness and update. Also, CAISO should ensure that these resources are modeled on line in the study basecases. CAISO typically relies on CPUC, CEC for Construction status of new generation projects. In addition to this, we suggest that CAISO Planning staff should also seek updates from its New Resource Interconnection (NRI) team on project construction statuses. A new generation resource that is under construction (and is delivering to CAISO BAA, regardless of whether it is located in or out of state) is required to start the Pre-Sync coordination process with CAISO's NRI team at least 6 months prior to its Initial Synch Date. This additional piece of information should be captured in developing the study basecases.