

CAISO 2013/14 Transmission Plan: Stakeholder Comments

Submitted by	Company	Date Submitted
Sandeep Arora (sarora@lspower.com) (925) 201 5252	LS Power Development, LLC	12/9/13

LS Power appreciates the opportunity to submit comments on CAISO's 2013/14 Transmission Planning process.

(1) Harry Allen – Eldorado Transmission Project economic study:

LS Power is appreciative of CAISO staff's efforts in conducting the economic analysis for Harry Allen- Eldorado transmission project under the current transmission planning cycle. LS Power understands that CAISO is working on refining these study findings and preparing a draft report documenting study assumptions and findings in details. LS Power is submitting these questions/comments and requesting CAISO staff to incorporate details on study assumptions, findings etc. in the draft Transmission Plan.

- (a) CAISO's Economic Analysis from 2012/13 Transmission Planning studies identified \$637mm in economic benefits for CAISO ratepayers from a new 500 kV transmission line from Harry Allen – Eldorado ("Project"). These benefits were significantly greater than the \$138mm identified under the 2013/14 Transmission Plan. We would request CAISO to provide more information on why the benefits are significantly lower this year?
- (b) What is the source for \$/kw-year new CT cost assumptions used for establishing Delany – Colorado River line Resource Adequacy benefits? Why is the SCE area cost assumed same for all years, \$183/kw-year? What will CAISO use as cost for building similar new CT in NVE region?
- (c) Generation assumptions – For the purpose of economic studies, it appears CAISO assumed all OTC units will be retired and will be replaced by new efficient CC & CT plants. CAISO has added about 6000 MW on new generation in SCE & SDG&E area. While this is one possible scenario, but several other scenarios could potentially materialize, such as instead of replacing all existing OTC units with new units, perhaps all OTC units could be retrofitted to be compliant with new requirements. This scenario could potentially make out of state generation more economic than in state and hence more benefits from the new transmission projects that increase import capability. CAISO should consider performing a few sensitivity studies related to OTC assumptions.
- (d) Capacity benefits from Harry Allen – Eldorado line: LS Power supports CAISO staff's decision to analyze capacity benefits from this new line. As we have previously stated, new line from Harry Allen – Eldorado should not only help in improving import capability and providing access to more RA capacity, but

should also provide CAISO access to more “dispatchable” resources that are required for renewable integration. Such benefits should also be analyzed and accounted for.

- (e) CAISO’s presentation showed Natural gas price assumptions used for the economic study and referenced the draft CEC 2013 IEPR. Please identify more precisely which version and case of IEPR data was used, and what adjustments to the data, if any, were applied.

(2) CAISO should perform studies in this year’s planning cycle to quantify benefits of a new 500

kV path from Midpoint 500 kV station to Eldorado 500 kV station:

As LS Power has previously requested, a project proposal was submitted in CAISO’s 2012/13 Transmission Planning Request Window for a new project from Midpoint substation to Eldorado substation. This project comprises of three segments: (a) A new 500 kV line from Midpoint - Robinson Summit (b) A soon to be operational new 500 kV line from Robinson Summit to Harry Allen and (c) A new 500 kV line from Harry Allen – Eldorado. This combined project offers a major parallel path to CAISO’s existing WECC intertie paths such as PDCI, Path 26 & Pacific AC Intertie and CAISO’s Southwest intertie interfaces. The project has huge potential in alleviating several intertie constraints that CAISO BAA currently faces. CAISO had performed a study for this path in the 2012/13 Transmission Planning cycle. We recommend CAISO to perform this assessment again as part of this planning cycle and quantify the economic other benefits that this project can offer to CAISO ratepayers, prior to finalizing this year’s Transmission Plan. In addition to providing economic benefits, this new line will create a new interconnection between CAISO, Pacific Corp & NV Energy, and hence will allow increased benefits to all market participants from the new EIM market that is planned to be implemented initially between CAISO & Pacific Corp and later between CAISO & NV Energy.