

## CAISO 2019/20 TPP Study Plan: Stakeholder Comments

Submitted by	Company	Date Submitted
Francis Wang Executive Director <a href="mailto:Francis.Wang@nee.com">Francis.Wang@nee.com</a>	NextEra Energy Resources	March 14, 2019
Jason Schmidt Transmission Business Manager <a href="mailto:Jason.Schmidt@nee.com">Jason.Schmidt@nee.com</a>		

NextEra Energy Resources (NEER) appreciates the opportunity to provide comments on the CAISO 2019/20 Draft Study Plan. The comments below address the 2019-20 Transmission Planning Process (TPP) Unified Planning Assumptions and Study Plan discussed during the February 28th stakeholder meeting. We continue to see positive enhancements to each year's plan and look forward to continuing to work with the CAISO to continuously improve the planning process.

### Previously Studied Project in the 2018/2019 Study Plan

Red Bluff – Mira Loma 500 kV Transmission Project was studied as an economic study request in the 2018/19 TPP. Using the Base Case, the ISO's 2018/19 analysis concluded the following on Page 315 of the final report:

- *Based the TEAM ratepayer perspective, the benefit to cost ratio was not sufficient for the ISO to find the need for this project.*
- *This result may need to be revisited in the future, as conservative values were applied for the local capacity in the LA Basin area due to the uncertainty regarding future system requirements for the gas-fired generation fleet in the area, and the need for further coordination with the CPUC's IRP process and direction from that process. The ISO notes that consideration of system capacity requirements - which would heavily influence the capacity benefits assessed here - is best addressed within the IRP process.*

### Analysis using 42 MMT Case

As noted in the conclusions of the last study plan, the assumptions were "conservative and the project should be revisited in the future". The 2019/20 Base plan as proposed is expected to correspond a statewide electric sector GHG reduction target of 42 million metric tons (MMT) by 2030 as set forth in Senate Bill (SB) 350. Using the 42MMT case published by the ISO, NEER has performed a Production Cost Model (PCM) Analysis using GridView. The analysis used the case as available from the ISO as the Base case, and Red Bluff to Mira Loma 500 kV line added with the line limits enforced, with no additional changes.

Replicating the Benefit to Cost Ratio methodology of the ISO per TEAM methodology, provide a benefit to cost ratio of 1.3.

Ratepayer Benefits (\$million/year)	104
PV of Prod Cost Savings (\$million)	1431
Capital Cost Estimate (\$million)	840
Estimated "Total" Cost (screening) (\$million)	1105
Benefit to Cost	1.3

### Study Request

NEER is requesting an economic, reliability and public policy study for the 2019/20 Transmission plan cycle. The request is to study a 500 kV transmission line from Mira Loma to Red Bluff.

### Project Description

- New ~140 mile 500 kV transmission line between the Red Bluff 500 kV substation and Mira Loma 500 kV substation (Line ratings: 3,421 MVA Normal, 3,880 MVA Emergency).
- 50% Series Compensation with an optimal location in the line to be determined from further studies (Line ratings: 3,291 MVA Summer Normal, 3,949 MVA Summer Emergency).
- Estimated capital cost \$850 million.

### Summary of Benefits

The Red-Bluff to Mira Loma project is long-term multi-value project which addresses reliability, economic and policy considerations, including the following:

- Economic Load and System Production Cost Savings
- Capacity Deferral Savings
- Relieve Constraints for interconnecting new Renewable Generation and storage resources
- Reduces Renewable curtailments
- Provides Deliverability to existing generation resources
- Provides reliability support of underlying transmission system

### Conclusion

NEER commends CAISO's staff for all of their time and effort put into defining appropriate input assumptions in the 2019-2020 TPP cycle. NEER submits these comments with the goal of enhancing the processes utilized in the evaluation and selection of the least cost, most efficient and effective reliability, economic, and public policy transmission projects in the transmission planning process. NEER appreciates the opportunity to participate in the transmission planning process and to provide these comments.