



Comments of North Gila Imperial Valley #2 on Nov. 16th CAISO TPP Meeting

ITC Grid Development, LLC, and Southwest Transmission Partners, LLC have entered into a joint venture, North Gila Imperial Valley #2 (NGIV2), LLC, to develop the North Gila Imperial Valley (NGIV2) transmission line. NGIV2, LLC appreciates the opportunity to provide comments to the CAISO on the latest Transmission Planning Process (TPP) update meeting on November 16.

NGIV2 is encouraged that the CAISO has used the CPUC integrated resource plan (IRP) 50% RPS portfolio for both the reliability and economic assessments in the 2018-2019 TPP. Furthermore, NGIV2 believes CAISO is justified in looking at sensitivities of using the IRP 42 MMT portfolio, and removing the 2000 MW net export limit for the economic analysis. Internal studies have shown that the NGIV2 project provides increased production cost savings, and local capacity requirement (LCR) reduction benefits in scenarios of increased carbon reduction.

With the NGIV2 project submittal in the 2018-19 Western Planning Regions Interregional Coordination Process, the consideration of Interregional Transmission Projects to meet CAISO regional needs – and specifically, the study results showing the economic benefits provided by the NGIV2 project to the CAISO region – is of great interest to the NGIV2 project team. At the update meeting, the CAISO indicated that the Interregional Project results would be shared in the next phase of the TPP. NGIV2 would like some clarification on when it might see the results, and whether NGIV2 would be able to review and comment on those findings ahead of them being posted in the January Draft TPP Report. NGIV2 would also like clarification as to whether the CAISO would look at the same sensitivities in assessing Interregional Transmission Projects as were applied to the baseline economic analysis (42 MMT portfolio and removing 2000 MW export limit). Finally, when the results are provided, the NGIV2 team would like to see the LCR reduction for the San Diego-Imperial Valley Area with NGIV2 and without the potential LCR reduction options identified by the CAISO in the November 16 TPP update meeting.

In addition, NGIV2 is very interested in the 2000 MW of storage identified in the IRP portfolio, and looks forward to CAISO's analysis of the optimal locations of the storage to reduce renewable curtailment. If results are shared in the January Draft Report, NGIV2 recommends that the CAISO explain how they will be implemented into study cycles moving forward, and how they may go about soliciting projects – which could include both transmission projects and storage – to meet the identified need for reduced curtailment of renewable resources.

NGIV2 would like clarification on if/how remedial action schemes (RAS) are accounted for in the production cost models. RASs can also have impacts on the LCR reduction and renewable



North Gila Imperial Valley #2 TRANSMISSION LINE

curtailment studies, and NGIV2 recommends that any relevant RASs are accounted for in those studies as well.

NGIV2 thanks CAISO for evaluating the project for LCR reduction benefits in the San Diego-Imperial Valley (SD-IV) Region, and believes that when coupled with the production cost savings and reductions in renewable curtailments, the project will perform well against the other options presented, especially in the greater carbon reduction portfolios. As indicated in previous comments, NGIV2 and SDG&E are also continuing to coordinate studies to look at the Renewable Energy Express Transmission Project (REX) to explore possible capital cost, operational, and system optimization synergies between the two projects that may result in increased benefits provided to the SD-IV Region. NGIV2 understands that with five solution options to evaluate, LCR reduction results and recommendations were not available for the SD-IV Region on November 16. NGIV2 requests an opportunity to review and comment on those results once posted in the Draft TPP Report or in an additional TPP Stakeholder meeting, and that the CAISO build in sufficient time to consider and respond to the feedback provided.

We appreciate the CAISO's consideration of these comments, and look forward to continuing to work with the CAISO and the other Western Planning Regions on Interregional Projects such as NGIV2.