

Submitted By	Company	Date Submitted
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NRG submits these comments on the CAISO’s proposal to approve the proposed Pardee-Moorpark 230 kV line 4 (“Pardee-Moorpark Line 4”).

The Pardee-Moorpark Line 4 project is not new. It was proposed by Ron Calvert, Senior Power Systems Engineer at Utility System Efficiencies, Inc. on behalf of the Calpine Corporation (“Calpine”, an independent power producer competitor of NRG’s) in the California Public Utilities Commission’s (“CPUC’s”) 2012 Long-Term Procurement Planning (“LTPP”) rulemaking (R.12-03-014).<sup>1</sup>

Regional Transmission Manager Robert Sparks, on behalf of the CAISO, submitted testimony responding to Calpine’s proposal.<sup>2</sup> In specifically advocating for building 430 MW of generation within the Moorpark sub-area, the Sparks Sur-rebuttal noted:

Mr. Calvert’s options are not compelling enough to put the procurement process in the Moorpark area on hold. As I have explained, the ISO identified a solution similar to Option 1 [the Vincent-Santa Clara Loop-In project] but did not find it to be the superior alternative. **The ISO continues to believe the reliability and operational benefits of having 430 MW out of the existing 1946 MW OTC generation replaced in the Moorpark area will ensure that the overall changes to the operation of the Moorpark area and the Southern California transmission system are moderated and unforeseen consequences in the form of adverse impacts on the transmission system operation are minimized.**<sup>3</sup>

To reiterate, in 2012, the CAISO testified that locating 430 MW of generation within the Moorpark sub-area was the best alternative – even preferable to a fourth Pardee- Moorpark line – for meeting local capacity requirements in that sub-area. On the basis of the CAISO’s testimony and other testimony, the CPUC authorized the Southern California Edison Company (“SCE”) to procure between 215 and 290 MW of generation within the Moorpark Sub-area.<sup>4</sup> SCE conducted a competitive solicitation and awarded NRG’s 262 MW Puente project a contract. The CPUC approved SCE’s contract with Puente in Decision 16-05-050, issued on June 1, 2016.

In 2017, in the California Energy Commission’s licensing proceeding for Puente,<sup>5</sup> the CAISO made an unsolicited offer to conduct a study to assess the feasibility of preferred resource alternatives to the Puente project. In the CAISO’s alternatives analysis, published on August 17, 2017, the CAISO identified

<sup>1</sup> See *Track 1 Reply Testimony of Calpine Corporation*, submitted July 23, 2012 in rulemaking R.12-03-014, at pages 9:6 through 10:3 (emphasis added).

<sup>2</sup> *Sur-Rebuttal Testimony of Robert Sparks on Behalf of the California Independent System Operator Corporation*, submitted August 13, 2012 in Rulemaking R.12-03-014 (“Sparks Sur-rebuttal”). This testimony is available at <http://www.caiso.com/Documents/August132012SparksSurrebuttalTestimony-DocketNoR1203014.pdf>.

<sup>3</sup> Sparks Sur-rebuttal at 6:3-10.

<sup>4</sup> See Decision (“D.”) 13-02-015 at Ordering Paragraph 2. This decision is available at <http://www.caiso.com/Documents/August132012SparksSurrebuttalTestimony-DocketNoR1203014.pdf>.

<sup>5</sup> California Energy Commission Proceeding 15-AFC-01.

that long-duration battery storage projects could displace the Puente project.<sup>6</sup> The CAISO's analysis specifically declined to comment on the cost, timing or feasibility of procurement of the alternative resources.<sup>7</sup>

On September 29, 2017, however, the CAISO sent a letter to the California Energy Commission indicating that the only way to establish the feasibility of the preferred resource alternatives was to conduct a new competitive solicitation.<sup>8</sup> In that letter, the CAISO asserted there was adequate time to conduct a new solicitation and operationalize new preferred resources before Summer 2021.

On October 5, 2017, California Energy Commissioners Janea Scott and Karen Douglas, citing the CAISO's September 29, 2017 comments, issued a statement indicating their intent to reject Puente and to consider "feasible alternatives".<sup>9</sup>

On January 11, 2018 the CAISO held a web conference on two transmission projects newly proposed in the 2017-2018 Transmission Planning Process – one of which was the same Pardee-Moorpark Line 4 project originally proposed by Calpine and rejected by the CAISO in favor of local generation in the 2012 LTPP.<sup>10</sup>

At a February 8, 2018 2017-2018 Transmission Planning Process meeting, the CAISO recommended the approval of the Pardee-Moorpark Line 4 project.<sup>11</sup>

The CAISO's recent support for the Pardee-Moorpark Line 4 is in direct contrast to the CAISO's prior support for meeting the Moorpark sub-area need with local generation. To the extent that the CAISO's present support for Pardee-Moorpark Line 4 hinges on its discomfort with the increased operational complexity associated with preferred resources meeting the local sub-area need<sup>12</sup> – it bears noting that the CAISO is largely, if not solely, responsible for demonstrating that preferred resources can meet the local sub-area need and for representing that preferred resources can be secured in a timely fashion to meet the local need. Now, with SCE poised to conduct the preferred resource solicitation for which the CAISO advocated, the CAISO is instead advancing a transmission alternative that it originally rejected.

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<sup>6</sup> See California ISO *Moorpark Sub-Area Local Capacity Alternative Study*, available at [http://www.caiso.com/Documents/Aug16\\_2017\\_MoorparkSub-AreaLocalCapacityRequirementStudy-PuentePowerProject\\_15-AFC-01.pdf](http://www.caiso.com/Documents/Aug16_2017_MoorparkSub-AreaLocalCapacityRequirementStudy-PuentePowerProject_15-AFC-01.pdf).

<sup>7</sup> Id. at pages 1 and 4.

<sup>8</sup> See *California Independent System Operator Corporation Post-Hearing Comments in California Energy Commission Docket No. 15-AFC-01*. These September 29, 2017 comments are available at [http://www.caiso.com/Documents/Sep29\\_2017\\_Comments\\_MoorparkSub-AreaLocalCapacityAlternativeStudy-PuentePowerProject\\_15-AFC-01.pdf](http://www.caiso.com/Documents/Sep29_2017_Comments_MoorparkSub-AreaLocalCapacityAlternativeStudy-PuentePowerProject_15-AFC-01.pdf).

<sup>9</sup> *Committee Statement Regarding the State of the Presiding Member's Proposed Decision*. This statement is available at [http://www.caiso.com/Documents/Sep29\\_2017\\_Comments\\_MoorparkSub-AreaLocalCapacityAlternativeStudy-PuentePowerProject\\_15-AFC-01.pdf](http://www.caiso.com/Documents/Sep29_2017_Comments_MoorparkSub-AreaLocalCapacityAlternativeStudy-PuentePowerProject_15-AFC-01.pdf).

<sup>10</sup> See presentation at <http://www.caiso.com/Documents/Presentation-Pardee-Moorpark230kVNo4CircuitProject.pdf>.

<sup>11</sup> See *Southern Area – Reliability Assessment Draft 2017-2018 Transmission Plan and the transmission project approval* recommendations portion of the presentation ("February 8 TPP presentation") available at <http://www.caiso.com/Documents/Presentations-2017-2018TransmissionPlanningProcessMeeting-Feb8-2018.pdf>.

<sup>12</sup> In advancing the transmission alternative it initially rejected, the CAISO cited increased "...[o]perational complexity due to variability, run-time limitation and charging needs of local capacity resources." See February 8 TPP Presentation at slide 49 of 91.

Pardee-Moorpark Line 4 *will not* enhance the reliability of this sub-area. Pardee-Moorpark Line 4 *will* allow the CAISO to eliminate the sub-area requirement for local generation, but it will do nothing to enhance the ability to reliably serve load in this sub-area in the event the Pardee-Moorpark transmission corridor is compromised by fire, as happened in December 2017. By eliminating the need to maintain local generation in the Moorpark sub-area, the CAISO will expose this sub-area to involuntary load shedding in the event this transmission corridor is compromised, reducing the reliability of service to load in this sub-area. The CAISO is not required by transmission planning standards to plan for something of this scope (*i.e.*, the loss of this corridor to fire), even if that event has already happened. The CAISO, however, was similarly not required to take steps to enhance the reliability of service to load in San Francisco to mitigate the earthquake-induced loss of an entire substation, but felt it prudent to invest in transmission upgrades to do so. For the Moorpark sub-area, the CAISO, as it did in San Francisco, could act to maintain or improve the reliability of service to load in this sub-area, but, by electing to move forward with a transmission alternative instead of local generation, is choosing not to do so.

In light of the CAISO's actions to first support local generation to meet the sub-area need, followed by its recent reversal to now support a transmission alternative that it initially opposed, before the CAISO moves forward with this transmission project the CAISO should fully explain and justify the actions it has taken with regards to the Moorpark sub-area over the past six years and how those actions will ensure the most reliable and cost-effective electric service within the Moorpark sub-area.