

## 2018-19 Transmission Planning Process (TPP) Special Study: Local Capacity Requirements Potential Reduction Study

Submitted by	Company	Date Submitted
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PG&E provides the following comments on the proposed 2018-19 TPP Special Study of Potential Reduction of Local Capacity Requirements (LCR) in certain priority local areas and subareas, as discussed in the stakeholder presentation on April 18, 2018.

Overall, PG&E agrees with the CAISO’s prioritization in the Study Plan. However, PG&E recommends the addition of the Pittsburg-Ames and Contra Costa LCR sub-areas to the high priority list. PG&E is aware of a number of contracts with generators in these sub-areas that are set to expire in the next several years. These contracts constitute a significant amount of generation capacity being relied upon to ensure reliability within the Greater Bay Area. PG&E further believes that at least some of the generating units within these two recommended sub-areas may be in disadvantaged communities. PG&E therefore believes it is critical to identify the available options for LCR reduction in these sub-areas, in order to mitigate the risk of backstop procurement to meet reliability requirements. PG&E requests that the CAISO add these two sub-areas to the Study Plan.

Furthermore, PG&E seeks the following clarifications on the Study methodology:

During the presentation, the CAISO described the layering of LCR requirements by assessing and removing the next limiting constraints, after mitigation of the most limiting constraint.<sup>1</sup> PG&E would like to know how the limiting constraints will be mitigated and how many layers of limiting constraints the CAISO plans to study in each of the LCR areas and sub-areas listed in the Study Plan. PG&E also requests more information on whether the Study has set a specific target amount of LCR reduction in each of the LCR areas and sub-areas and how such targets would be determined.

The CAISO should also clarify how it will conduct the economic assessment on the identified transmission alternatives in the Study. An outline of the evaluation methodology is needed to

<sup>1</sup> See <http://www.caiso.com/Documents/Presentation-LocalCapacityRequirementReductionStudy.pdf> slide 5.



understand how the CAISO will determine whether a transmission alternative is economically viable for all or some of the local area needs.