

STFC Comments on the *CAISO 2012/2013 Transmission Planning Process: Unified Planning Assumptions and Draft Study Plan--*

The Save the Foothills Coalition (STFC) appreciates the opportunity to provide these comments regarding Phase 1 of the CAISO 2012/2013 transmission planning cycle, and the stakeholder discussion that occurred on February 28, 2012.

Study Plan:

As residential electricity customers participating in the CAISO transmission planning process during an era of significant modifications to the CAISO tariff and practices, the STFC is grateful for the tremendous amount of work involved in developing a transmission planning process that is amenable to the concerns of stakeholders while working towards facilitating California's clean energy goals. The improved planning process and coordination with the CPUC has now resulted in two comprehensive transmission plans which accommodate a diverse range of potential renewable energy futures and meet that challenge in a manner that is considerate of the economic impact to customers. Therefore, the STFC urges CAISO and stakeholders to view the 2012/13 cycle as the favorable time to build upon the foundation and framework established over the course of the two previous transmission-planning cycles and resist the calls to magnanimously depart from the progress underway.

The STFC continues to believe that identifying the transmission needed to successfully meet California's clean energy policy goals requires the economic analysis of proposed transmission projects and feasible alternatives, regardless of whether the proposed project fulfills reliability, economic or policy needs. Among other evolutionary improvements, the STFC supports and is encouraged by the CAISO commitment to consider *Corrective Action Plans, as lower cost alternatives to the construction of transmission additions and upgrades in addressing reliability concerns*, as described on slide 27 of the February 28, 2012 presentation titled: *Unified Planning Assumptions & Study Plan Study Plan Overview & Reliability Assessment*.

Additionally, in the task of determining the most economical and efficient means to attain California's clean energy goals, the STFC supports the refinement and incorporation of key CAISO stakeholder initiatives into the

2012/13 transmission planning process. These include accounting for the capacity of renewable generation that will be connected to the state's distribution networks and the transparent integration of the Generator Interconnection Procedures into the transmission planning process.

Assessment of Reliability Projects for Economic Benefit:

Slide 4 of the February 28, 2012 presentation titled: *Unified Planning Assumptions & Study Plan/Transmission Planning Process* refers to a FERC Order on compliance. It also refers to CAISO tariff revision establishing a ten percent threshold when the economic benefits that reliability (and long-term CRR) projects are found to provide, will subject the project to competitive solicitation as economic or policy-driven projects.

While we understand the intent of the FERC directive and the CAISO tariff revisions, the STFC feels that whenever a reliability project provides economic benefits amounting to ten percent or less of the project cost, it should be seen as a red flag, cautioning an inadequate regard to costs. Furthermore, it should give impetus to identifying economical alternatives in mitigating the identified reliability need.

Central California Study:

The STFC supports the CAISO's commitment to develop an individual study plan for Central California, as outlined on slides 7 & 8 of the presentation titled: *Unified Planning Assumptions & Study Plan--Study Plan Overview & Reliability Assessment*.

The STFC notes that the presentation describing the Central California study plan lists "Renewable Integration" as one of the potential benefits of modifications to the ISO controlled grid in Central California. Because of the manner in which it is listed, it is not clear whether the CAISO considers "Renewable Integration" a new category of transmission project or a benefit that would fit into the recognized categories. Nevertheless, renewable integration is a broad topic and the 33% RPS integration needs are being determined in various jurisdictional venues. Clarifying ambiguities on how renewable integration needs in Central California are determined should be prioritized. The STFC requests the CAISO consult with all stakeholders in the development of assumptions and methodology in determining renewable integration needs for Central California Study.

Consideration of operational flexibility of the Helms pumps:

While the Helms pumped storage plant is a useful resource, it is not the only resource or method for integrating diverse portfolios of renewable generation. Furthermore, we have not seen evidence that the frequency of "over generation" from renewables will warrant providing for the constant simultaneous operation of all three pumps at Helms. Moreover, extensive grid modifications that can provide for the always available and simultaneous operation of all three pumps at Helms may not be the most economical and widely beneficial approach for integrating renewables.

Assuming additional operational flexibility in Central California is determined to be needed, the STFC requests the evaluation of alternative approaches that may adequately provide for system needs yet do not require extensive transmission upgrades. As one example, the STFC concurs with the CEC staff's call at the February 28 meeting for the appropriate consideration of the dispatchable flexibility that can be provided by demand side resources. Additionally, in contrast to studying extensive grid modifications that presumably support the utility's pumps access to low cost off peak generation, STFC urges the CAISO to consider if geographically dispersed dispatchable loads (i.e. plug in vehicles) should also have access to excess off peak "over generation" from renewables, and if such resources can also cost effectively provide additional needed capacity and net additional environmental benefits.

The STFC looks forward to the development of the 2012/12 Study Plan and the parallel Central California study and request that our concerns be addressed in the processes.

Respectfully submitted, on March 13, 2012 to
regionaltransmission@caiso.com