

**Sempra US Gas and Power Stakeholder Comments:  
CAISO 2012/13 Transmission Plan Renewable Portfolio Assumption  
Comments April 2, 2012 Stakeholder Meeting**

Submitted by	Company	Date Submitted
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Sempra US Gas and Power (Sempra USGP) appreciates this opportunity to provide the following comments on the CAISO 2012/13 transmission plan renewable portfolio assumptions and methods, as presented on the 4/2/2012 stakeholder meeting, and the additional discussion of the Renewable Portfolio Standard Calculator (RPS Calculator) in the 4/11-12/2012 CPUC workshop on renewable scenario development associated with the 2012 Long Term Procurement Proceeding. The RPS Calculator is highly significant in that the RPS scenarios derived from the Calculator will be used as the basis for the CAISO transmission plan.

First, the CAISO should provide stakeholders with more detailed documentation and discussion of the methods and assumptions associated with the RPS Calculator. This documentation should be sufficient to provide transparency associated with all significant Calculator assumptions/inputs. This is necessary for stakeholders to effectively provide input to the development of Calculator and to avoid an outcome where the Calculator inappropriately excludes resources and propagates erroneous conclusions through the TPP and procurement processes. Specific comments on elements of the calculator are provided below.

- The components of the demand forecast should be disaggregated to allow development of alternate scenarios (i.e. behind the meter generation and energy efficiency).
- The CAISO transmission planning processes should account for/consider the procurement actions of the state's municipal utilities.
- The scores for out-of-state resources appear arbitrary and subjective, and should instead be based on actual information related to the specific projects. For example, all projects located in the Arizona CREZ appear to have scores of 50 for environmental and 100 for permitting even though projects may be fully permitted. In the absence of information to determine the permitting and environmental impact of various projects, a mechanism should be established to allow developers to provide input that would be used to develop appropriate scores on a consistent basis across the region.

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- The Calculator assumptions should be sufficiently granular to support accurate consistent conclusions/scenarios for both procurement and transmission planning. For example, the transmission costs associated with in-state (non-CREZ) resources appears to be zero and therefore inappropriately biases the Calculator result toward resources within California state boundaries. Additional granularity is needed to accurately represent the transmission cost of in-state resources based on transmission sub-areas and provide comparable costs with out-of-state resources. Further accurate representation of the transmission cost associated with out-of-state resources requires additional granularity to account for existing transmission capacity available without incremental cost, followed by incremental costs for discrete expansions of transmission capacity. An appropriate balance must be struck between additional detail and not overburdening the Calculator with superfluous detail while considering all resources on a comparable and accurate basis.
- All out-of-state resources should not be first assumed to meet out-of-state RPS requirements. The out-of-state resources dedicated to meet native RPS requirements should reflect the respective utility RPS procurement plans. Note that in some instances, western state renewable standards provide for a distributed generation component, which should be evaluated in assessing the procurement of large scale renewable generation to meet native load.
- The 67% loading criteria for new transmission appears arbitrary, excessive, and inconsistent with the concept that the assessment of new transmission accounts for the RPS policy benefit, reliability benefit, and economic benefit of the upgrade. For example, the CAISO planning process and conclusions regarding the overall benefits various transmission projects should inform the RPS Calculator, so that reasonable conclusions regarding the benefits of transmission expansion can be accurately incorporated.
- The criteria for the discounted core should not be overly restrictive or exclude otherwise viable projects. Projects that are not fully permitted should remain in the discounted core unless it is determined that the projects are otherwise infeasible. Permitted and unpermitted projects may be differentiated through a weighting/scoring system.
- Project viability should be a key element of the calculator. Further, the calculator should reflect current market trends/conditions (i.e. the relative costs of renewable technologies has changed radically in the past year with PV costs dropping roughly 30%. In addition, the PTC expiration is likely to have a significant impact on the cost of US wind projects etc.).