

2017-2018 Transmission Planning Process (TPP) – Economic Study Request

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Economic Study Request: Devers – Suncrest 500 kV Transmission Line (to reduce the LA Basin and San Diego/Imperial Valley LCR Areas need requirement)

The Alliance (PG&E and TC) requests the CAISO to conduct an economic study of a Transmission Project to reduce LCR requirements in both the LA Basin and San Diego/Imperial Valley LCR Areas.

The total qualifying capacity¹ in the LA Basin in 2026 is projected to be 7,795 MW, which has a small margin of only 561 MW (7.8%) above the 7,234 MW LCR need. The total qualifying capacity in the San Diego/Imperial Valley Area is 4,840 MW, which has a small margin of only 191 MW (4.1%) above the 4,649 MW LCR need. Because of the tightening margins in 2026, the Alliance team believes it would be prudent for the CAISO to perform an economic study for these LCR requirements, including both capacity contracts for LCR capacity and the cost of out of merit order dispatch incurred because these resources will be running at times when less expensive energy would be available from outside the LCR Areas. The CAISO should also take into account the cost of curtailment of renewable resources within the CAISO that could be prevented if these LCR resources which are predominantly gas generation would not be required to run by reducing the LCR requirements.

The Alliance requests that the CAISO to study the cost and benefits of the proposed 90 mile, 500kV transmission line originating at the Devers Substation and terminating in the Northern San Diego Area into the Suncrest Substation, by determining the reduction in LCR requirements and the following:

1. Reduced LCR contract costs
2. Reduction in production costs
3. Reduction in curtailment of renewable resources and any future Policy benefits

¹ Page 2, APPENDIX D: 2026 Local Capacity Technical Analysis, Draft 2016-2017 ISO Transmission Plan