

**COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON THE CAISO'S 2019-2020 TRANSMISSION PLANNING PROCESS, PRELIMINARY POLICY AND ECONOMIC ASSESSMENT RESULTS**

**DECEMBER 2, 2019**

The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates the opportunity to comment on the November 18, 2019 stakeholder meeting regarding the 2019-2020 Transmission Planning Process (TPP) Preliminary Policy and Economic Assessment Results.

CEERT appreciates the CAISO's work on the two-year Special Project to evaluate how transmission investments could cost effectively reduce Local Capacity Requirement (LCR) needs. The project did uncover a few instances in which minor upgrades could potentially reduce LCR needs with the minimal revenue stream generated by the difference in generic Local and System Resource Adequacy (RA) prices. As noted in the meeting, the more robust revenue stream in locations where Capacity Procurement Mechanism (CPM) or Reliability Must Run (RMR) resources supply LCR could allow more economic transmission upgrades. This minimal additional analysis could be completed in this cycle. We assume that if the preliminary assessment holds up, these projects will be included in the recommended economic-driven projects in the final TPP.

Perhaps more importantly, this study characterized all the LCR needs in such a way that assessment of the value of portfolios of use limited preferred resources (including storage) to mitigate LCR needs is possible. This information will become increasingly important as these resources begin to play a much more prominent role in the future grid. In particular, the illustration of how a portfolio of four-hour batteries could be "stacked" in dispatch to meet an eight-hour LCR need in the Santa Clara sub-area is very relevant. Also of note was the contribution of Behind-the-Meter batteries charged by rooftop solar (the Swell Energy Project<sup>1</sup>) that provided full nameplate capacity value to the portfolio. Furthermore, in the discussion about the results in the West LA Basin, it was noted that only 20-minute response time DR was counted as an LCR resource. The question arose as to whether hybrid resources, such as a one-hour battery "stacked" with 52-minute response time DR, could have LCR capacity value (neither have any stand-alone NQC).

CEERT would appreciate a short discussion of these issues in the text of the Draft TPP. Thank you for your attention.

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<sup>1</sup> Preliminary Policy and Economic Assessment Results, 2019-2020 Transmission Planning Process Stakeholder Meeting, November 18, 2019 Slide 169.