

The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates the opportunity to comment on the CAISO 2018-19 Transmission Planning Process Local Capacity Requirements Potential Reduction Study Plan. Reducing capacity requirements that drive the need for new and existing gas capacity is essential to decarbonizing the California electric grid. Evaluating economic transmission upgrades to reduce local capacity requirements (LCR) is an important step and CEERT is very supportive of the CAISO undertaking this study.

CEERT applauds the focus on developing alternatives to gas resources for LCR. Providing the load shape of the LCR need as an output of the study is particularly valuable so the characteristics required of preferred resource alternatives are known. Although alternative preferred resource portfolios will not be studied in this study, the information will be valuable to follow-on processes.

CEERT is strongly supportive of the priorities used to pick this year's study area. Prioritizing both areas with aging or otherwise uneconomic fossil-fueled resources is strategic to avoid unnecessary new gas-fired resources, while prioritizing disadvantaged communities is in line with State policy.

CEERT has several suggestions for the study. First, given that this is first year that the new CEC 8760 load forecast that allows calculation of future peak load shapes was used, it would be prudent to also benchmark the forecast against recent actual data and previous LCR studies.

Second, assumptions for demand response and energy efficiency forecasts need to be explicitly stated, as well as reasons for any change from previous forecasts.

Finally, for the San Diego area analysis, the objective should be, at a minimum, to return the San Diego Import Limit to its pre-SONGS closure value of 4300 MW. When the SONGS closure was mitigated, only the absolute minimum in basin voltage support was added back to fill LCR need with new gas. The result is that there is 500 kV wire in the air to allow 4300 MW of imports, but only 2850 MW is useful due to low voltage "fuses" and lack of voltage support. It should be relatively cost effective to add voltage support and fix the low voltage overload issues to reduce LCR need. Long term, year 2028, scenarios should include projects consistent with the 42 MMT portfolio submitted by the CPUC. Since a large part of the issue is lack of flow in the vicinity of the Imperial substation as the sun sets, the addition of 500 MW of new geothermal resources in the region needs to be studied. The LEAPS project should also be reviewed again with the new portfolio. Finally, the transmission projects submitted by the Alliance of PG&E and TransCanyon into the 2018-19 Transmission Planning Process fit the objective of the study on the San Diego area¹.

¹ http://www.caiso.com/Documents/TransCanyonandPG_EAlliance-EconomicStudyRequest-Draft2018-2019StudyPlan.pdf

CEERT again applauds the CAISO for undertaking this Special Study. While short term “small ball” fixes to incrementally reduce gas demand to fill LCR needs is critical given the fact that virtually all fossil fired resources in the region are currently required, long term large reductions in fossil use are required given long term State policy goals to close Aliso Canyon and reduce GHG emissions are also critical. This study will serve to provide vital information for the State to make the most cost-effective investments in both the near and the long term that serve both reliability needs and State emission-reduction goals.

Signed,

Jim Caldwell
Senior Technical Consultant

Liz Anthony
Grid Policy Director