Center for Energy Efficiency and Renewable Technologies
Comments on the CAISO's 2012/2013 Transmission Planning Process
Stakeholder Meeting and Renewable Portfolio Scenarios

Submitted by:	Company	Date Submitted
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The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates the opportunity to comment on the CAISO's 2012/2013 Transmission Planning Process Stakeholder Meeting and Renewable Portfolio Scenarios. Given the recent enhancements to the CAISO's Transmission Planning Process – Generator Interconnection Process initiative (TPP-GIP), the importance of the scenario chosen by the CPUC and implemented by the CAISO will have major implications on the manner in which transmission planning proceeds within California, and will correspondingly influence where new generation resources are developed. Given this, we are greatly concerned with the lack of stakeholder input that has thus far been used to define the renewable portfolio scenarios provided by the CPUC to the CAISO as defined within this initiative and within the "Base Case and Alternative Scenarios for CAISO 2012-2013 Transmission Plan" portfolio submittal letter of March 23, 2012 from the CPUC and CEC to the CAISO. We are hopeful that the current initiative will therefore provide a place where stakeholder feedback can be used to influence the choice of transmission plan used by the CAISO in their base case modeling.

Before providing comments on the CPUC scenarios, we would like to address our concerns with the apparent lack of analytical methodology being employed by the CAISO to proactively study the cost effectiveness of Delivery Network Upgrades (DNU) as part of a future generation portfolio. Specifically, we encourage the CAISO to develop sustainable criteria by which DNUs can be "cost effective" for inclusion in the TPP. Given the size of the queue (or the portfolios to be studied) it makes little sense to only consider the two polar opposite criteria of "Energy Only" – which could lead to massive congestion and administrative curtailment – versus "Full Deliverability" – which could lead to a massively overbuilt transmission network. There needs to be a common sense middle ground where DNUs that make economic sense versus the related Resource Adequacy and congestion relief values get included in the plan. Such an approach is in fact consistent with the CAISO tariff and the actual practice in every other ISO in the country.

We also have significant concerns with the manner in which the CPUC has defined the four renewable portfolio scenarios provided to the CAISO. Specifically:

1. The CPUC has not sufficiently defined why it considers the 'cost constrained' case to be the preferred portfolio. Given the significance of choosing this portfolio, CEERT believes more justification of this preferred scenario should be provided.

2. CEERT has significant reservations about the overall methodology for defining the renewable portfolio scenarios. The methodology as provided for in the plan and in the presentation given by the CPUC/CEC has several significant deficiencies, the most major of which follow.

    a. We are concerned that the current model does not attempt to solve the proverbial 'chicken – egg' problem. For example, there are areas that offer optimal fuel characteristics on environmentally degraded land that are in close proximity to load centers. Such zones offer the system some of the best options for siting new resources and in our opinion should drive development of transmission assets. However, under the current CPUC paradigm, such areas may not be accounted for in their preferred renewable portfolio scenarios since commercial interest may not be adequately represented, given that such region may lack current or proposed transmission assets. In our opinion, this reflects a weakness in the current design approach: We believe resource planning should help drive development of transmission assets, and not solely commercial interest. Regions such as West Mojave as well as Westlands represent such areas that we believe should be included in any TPP going forward. We feel this problem is exacerbated by the commercial interest score, which only captures existing interest, but does not capture the very real commercial interest that additional transmission assets could unlock.

    b. The environmental score defined in the proposal is too broad to be useful in evaluating the potential to develop a renewable energy portfolio. The current model uses five categories to rate environmental scores. However it punishes areas for being well studied and rewards transmission to areas that have either unknown or out-of-state potential. This is done by giving better environmental scores to areas out-of-state as well as to regions outside the Desert Renewable Energy Conservation Plan (DRECP) planning area than to regions within the DRECP that are outside of Renewable Energy Study Areas (RESA), which are not a good indicator of environmental concern. RESAs include areas of high environmental concern and exclude areas of low environmental concern. For example, the Pisgah area, which reflects very high level of environmental concern, is in a RESA, whereas neither the agricultural lands around Blythe nor the highly disturbed areas around California City are included. CEERT suggests refining the environmental score to better reflect most recent data instead of determining environmental concern on the basis of the amount of data available.

    c. In the presentation by the CEC and CPUC of the methodology of the viability score, a high mitigation ratio was portrayed as a fatal flaw that could be used to lower a project's rating. This should be changed as many projects that are now under construction had relatively high mitigation ratios. Having high ratios does not equate to an unviable project.

d. It is not intuitively obvious that addition is the correct approach to combining scores. For example, if a single specific score reflects a zero likelihood of project success, then multiplication of scores would appropriately propagate this information to the final score, whereas addition would not, and could in fact result in a project who's overall score reflected a high likelihood of success. Such an example reflects a serious shortcoming in the manner in which scores are combined. We therefore request justification of the process for combining scores.

3. The CAISOs transmission planning, the CPUC LTPP, and the CEC permitting and planning processes need to influence and interact with each other on a quicker time frame and with deeper communication.

    a. The timing between processes needs to be better synchronized. For example, The Renewable Energy Action Team (REAT) is constructing a preferred alternative development scenario in the DRECP that will be public before CAISO will require a renewables portfolio scenario. However the CPUC will not use new data to help inform the portfolio provided the CAISO.

    b. The cooperation needs to be more than the sum of the parts. As mentioned above, the current process doesn't do enough to solve 'chicken and egg' problem of transmission planning. Only by working together can the individual agencies involved get past their own process limitations that are driven by individual projects.

4. The CPUC has not sufficiently justified how the DRECP has been or will continue to be integrated into its renewable portfolio scenarios. The DRECP represents a long term planning effort which will provide siting for significant quantity of renewable resources and any scenario used by the CAISO to justify development of future transmission assets should be coordinated with DRECP efforts.

5. The CPUC has not sufficiently justified the use of their 33% RPS calculator. The current calculator is based on a previous model originally developed E3. The current calculator has been sufficiently modified as to make the current results somewhat obscure. We would encourage the CPUC to provide more clear documentation for how the current model works.

6. The qualification that discounted core projects should be 'forced in' to a TPP if (a) they do not require new transmission or (b) if 67% of energy delivered on new transmission is from discounted core projects does not make sense from an electrical standpoint if multiple transmission lines are required to service a given renewable energy zone. This qualification therefore needs to be described in more detail.

CEERT is grateful for the opportunity to provide our feedback to the CAISO, the CPUC and the CEC on this critical path towards developing a rational transmission plan for the state of California. Give the importance of the CPUC renewable portfolio scenarios in defining the future of our transmission assets, we are hopeful that stakeholder feedback will be used to inform and improve the process.