

**Comments of the California Consumers Alliance  
Regarding the California Independent System Operator 2012/2013 Conceptual  
Statewide Plan Update**

The California Consumers Alliance (CCA) appreciates the opportunity to provide comments regarding the CAISO's 2012/2013 Conceptual Statewide Plan. CCA supports the CAISO's ongoing efforts to devise the most efficient and cost effective plan to achieve California's public policy goals.

**Comparable treatment of alternatives:**

CCA believes that CAISO must provide not only an opportunity for proposing alternatives but also a process that treats wires and non-wires solutions comparably. While we are encouraged by CAISO's recent effort to address the consideration alternatives solutions, from our perspective, the comparable treatment of wires and non-wires alternatives in the TPP is left wanting and requires more than the opportunity presently offered--We urge the CAISO to continue the progress towards a goal of ensuring the comparable treatment of alternatives.

**Clarifications Requested:**

In soliciting recommended modifications to the Conceptual Statewide Plan, CAISO informed its market notice recipients to consider: *Proposed modifications may include alternative transmission elements needed to access resources in locations not included in the conceptual statewide plan, and non-transmission elements providing alternative solutions to transmission upgrades and additions needed to meet the state policy initiatives. Such modifications should not be specific projects, rather electrical solutions to address transmission needs that are identified--*

Does the CAISO consider ***transmission needs that are identified*** to be the equivalent of demonstrated ***needs***?

The relevant market notice states a distinct preference for *electrical solutions* over *specific projects*--While the distinction and preference is aligned with Section 4.5.2 of

CAISO TPP BPM, the proposition is nevertheless difficult to understand in context with the specificity requirements of the transmission planning standards that CAISO relies upon to test the effectiveness of alternatives--Could CAISO clarify by providing an example of implemented proposed alternative mitigation for an identified transmission need that is **not a specific project**, but is an **electrical solution**?

We note that a large majority of the ISO BAA projects included in the *conceptual statewide plan* are LGIA or GIP identified projects--the applicability of alternative solutions to meeting the *transmission needs* that these projects provide seems inherently confined. Furthermore, because the evaluation of these ISO BAA transmission projects was executed in non-transparent processes, it is a challenging endeavor for stakeholders to even determine what the identified *transmission needs* are. A full understanding of what the *need(s)* are, and, how they were determined are basic, prerequisite steps in proposing viable alternative solutions. We request that the *needs* that the listed projects fulfill are clearly and transparently defined.

**Recommended edits:**

The update reciprocates between identifying the document as a *Conceptual Statewide Transmission Plan* or a *Conceptual Statewide Plan*. For the reader, the title should be consistent and uniform throughout the Plan.

*Table 1 provides a comprehensive listing of the projects and needs that comprise this plan.* As it stands, the CCA objects to the inclusion of *upgrades to increase utilization of Helms pump storage facilities for integrating renewable energy resources* in a listing of *needs*. We note that this is the only CAISO BAA project included in the Conceptual Statewide Plan that is not specific regarding the elements involved. More significant, we are not aware of any studies or evidence that supports that this project is needed for integrating renewable energy. The *possible need* for a transmission solution project is not a reasonable threshold for inclusion in the plan; using the *possible need* rationale, there is absolutely no limit to what could be included in the conceptual plan. Until the need for an upgrade is demonstrated, it should be removed from the *listing of needs*.

**Recommended Modifications:**

CCA believes that sufficient time has elapsed since the introduction of the 2010/2011 Conceptual Statewide Transmission Plan that an "update" should involve substantively more than reintroducing the two previous iterations. At a minimum, the updates should incorporate all changes and results coming from relevant resource planning processes that have a material impact on the accuracy and adequacy of the plan. For example, statements from CAISO staff at a recent 2012/13 TPP meeting suggest that CAISO approved LGIA driven network upgrades included the updated plan may no longer be valid. Furthermore, if *there remains substantial uncertainty over renewable energy resource development throughout the state and broader western region*, it would be informative to immediately begin to establish the cause of these uncertainties, and develop a methodical means to resolve them.

We observe that costs and the lack of clarity regarding the benefits provided by the proposed network upgrades are the most significant contributors to uncertainty in the updated plan. It is worth noting that these costs would be in addition to the over four-fold increase in the high voltage Transmission Access Charge that CAISO approved and passed to consumers in the decade immediately proceeding the original release of the CAISO conceptual statewide plan.

As a matter of principle, and in order to resolve uncertainties that stem from associated cost impacts, we recommend that the CAISO's conceptual planning effort begin to focus on California's larger electricity service landscape where all feasible methods and resources can be equally contemplated and evaluated in providing for the state's energy needs.

Since the CAISO Conceptual Statewide Plan starts from the objective of meeting the state's goals, it should also be updated with an accounting for the full range of public policies. This would help to identify the opportunities where multiple needs could simultaneously and efficiently be met, and, where more expensive additions could be

deferred or avoided.

The analysis of alternatives for identified needs should be performed by comparing the economic benefits of feasible alternative solutions, and selecting the most cost effective and efficient among them, as, in place at CAISO today. However, the focus on a single class of solutions (wires) should be revised for being overtly limited and preferential.

CAISO and other public utility transmission planners involved in the conceptual statewide plan are required to treat generation, demand resources, and transmission comparably in their transmission planning processes--we hope that this would apply to the updated conceptual statewide plan as well. Identifying an alternative(s) as the most efficient and effective solution(s) in meeting demonstrated energy needs should be a prerequisite for inclusion in the foundation plan.

The conceptual statewide plan is an effort to identify additions *across the state* needed to meet the state's policy goals. As such, there are numerous state entities and stakeholders that should be expected to contribute--if the objective is to devise a widely acceptable conceptual statewide plan. The CCA urges CAISO and stakeholders to consider modifications to evolve the current limited planning effort into a more comprehensive and more informative document.

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