

**Comments of the Imperial Irrigation District
on the
California Independent System Operator Corporation
2013-2014 Transmission Plan**

The Imperial Irrigation District (IID) has appreciated the constructive and collaborative working relationship enjoyed between the California Independent System Operator Corporation (CAISO) and the IID that has led to, in a few short years and among other things, increased information exchange between our respective Balancing Authority Areas (BAA), a new Adjacent Balancing Authority Operating Agreement, selection of IID as a Project Sponsor for a policy-driven project to interconnect renewable resources in the Imperial Valley, dynamic transfer arrangements, qualification of the IID as its own Scheduling Coordinator and reformation of the methodology to calculate the Maximum Import Capability for Resource Adequacy counting purposes, specifically at Interties between the IID and the CAISO BAAs. It is on this latter issue that IID makes comment and seeks clarification as it relates to discussion in the 2013-14 Transmission Plan (TPP).

Together, IID and the CAISO identified potential issues with the way the MIC was calculated between the IID BAA to the CAISO BAA. Through reformation of the Reliability BPM, and associated work with the California Public Utilities Commission (Commission) that culminated in the Assigned Commissioner Ruling (ACR) of Commissioner Ferron (July 7, 2011), the MIC from the IID BAA to the CAISO is targeted to be 1400 MW by 2020 consistent with resource development projections and assumptions of successful completion of certain transmission projects. The ACR specifically stated that it would be unreasonable to assume less than the 1400 MW of MIC in procurement calculations for CPUC jurisdictional Load Serving Entities.

This MIC trajectory was confirmed in the latest advisory MIC calculations dated July, 2013, and referenced in the 2013-2014 Transmission Plan.

All along, the IID has recognized that the 1400 MW MIC was contingent upon certain assumptions including the successful reconductoring of the West of Devers corridor, and subject to anticipatory concerns regarding West of River flows. The approved 2012-2013 TPP describes these issues, and the 2013-2014 TPP reiterates these interdependences. At page 139 of the Draft 2013-2014 TPP, it also introduces the issue of the early retirement of the San Onofre Nuclear Generating Station (SONGS). It is IID's understanding that the introduction of early SONGS retirement, and the fact that the deliverability studies occur relatively late in the TPP cycle, lead to the conclusion that the CAISO believes that this issue requires further study in the 2014-2015 TPP cycle.

Just yesterday, the ACR of Commissioner Picker requires study of an additional transmission interconnection from the Imperial Valley under an additional scenario transmitted for purposes of the 2014-21-015 TPP.

Clearly, this issue is evolving. Nevertheless, how this issue is characterized is important to the commercial viability of the resources in the Imperial Valley that seek Purchase Power Agreements and may be in negotiations currently. Fundamentally, IID believes the CAISO is committed to honoring the MIC values through the TPP. While the SONGs closure is a major development, several projects that affect the future targeted MIC values for the IID/CAISO branch group are already being considered and proposed for approval.

Therefore, no modifications to MIC values from IID to the CAISO have been finalized, and the advisory MIC values published in July 2013 are still valid. This should be more clearly stated in the final 2013-2014 TPP provided to the CAISO Board for possible approval in March.

IID therefore requests that Table 3.2-3 included in previous transmission plan reports be inserted into the 2013-2014 transmission plan report and further makes the following proposed language changes to the Draft 2013-2014:

the deliverability of future renewable generation from the Imperial Valley area ~~has been~~ may be significantly reduced primarily due to changes in flow patterns resulting from the retirement of the San Onofre Nuclear Generating Station. Despite the impacts being heavily offset by other reinforcements proposed in this transmission plan, only 1000 MW of the 1715 MW of Imperial zone renewable generation portfolio amounts can be made deliverable without additional actions. Given this significant change in circumstance, the ISO will conduct further study in the 2014-2015 transmission planning cycle to develop the most effective solution to this issue to maintain previously established target MIC values. (Draft TPP at 2)

However, the deliverability of future renewable generation from the Imperial Valley area ~~has been~~ may be significantly reduced primarily due to changes in flow patterns resulting from the retirement of the San Onofre Nuclear Generating Station. Despite the impacts being heavily offset by other reinforcements proposed in this transmission plan, only 1000 MW of the 1715 MW of Imperial zone renewable generation portfolio amounts can be made deliverable without additional actions. The change will also impact the ability to maintain deliverability of import capability from the Imperial Irrigation District at the intended level of 1400 MW. Given this significant change in circumstance, the ISO will conduct further study in the 2014-2015 transmission planning cycle to develop the most effective solution to this issue to maintain previously established target MIC values. (Draft TPP at 9)

Moving forward, IID looks forward to working with the CAISO to harmonize MIC calculations with deliverability analysis not only at all Interties, but also in relevant portions of the CAISO BAA. Considerable renewable development is occurring at IID's BAA boundaries, directly connected to the CAISO BAA, but electrically similar to resources connecting to the IID. It would appear that these resources face similar deliverability questions, and resolution of this issue should treat this issue in a comprehensive and consistent manner.

Tony Braun
Braun Blaising McLaughlin & Smith, PC
915 L Street, Suite 1270
Sacramento, CA 95814
braun@braunlegal.com
(916) 326-4449

Counsel to IID