



# IID

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## VIA EMAIL & US MAIL

September 18, 2015

Neil Millar  
California ISO  
250 Outcropping Way  
Folsom, CA 95630

Re: Imperial Irrigation District's (IID) Communication Regarding 10-Year Transmission Plan Base Submittal

Dear Mr. Millar:

In April 2015, IID provided the ISO with IID's 10-year proposed transmission upgrade plan. In this letter we are emphasizing to ISO that the IID transmission upgrade plan is necessarily contingent upon ISO's reversal of its zero increase MIC allocation for the IID Balancing Authority Area (BAA), because ISO's MIC allocation severely constrains renewable energy development in the IID BAA. This letter also sets forth comments to the ISO 2015 - 2016 reliability analysis and the State Wide Transmission Plan results that were published on August 14 and August 31, 2015 respectively.

*IID proposed suspension of transmission upgrades on the "S" line:*

The ISO's action last year in decreasing additional deliverability from the IID BA from 938 megawatt to zero has negatively impacted the market for new renewable development in the IID BAA. This reduction in IID MIC coming after IID had already commenced construction of the ISO approved Path 42 upgrades (at a cost of over \$30 million) was shocking. The decrease of the IID MIC will not allow IID to recover its costs for those upgrades. The ISO's actions in virtually shutting down renewable energy development in one of the most impoverished areas of the State is not only a gross disservice to the IID and the people of the Imperial Valley (already suffering a 27-percent unemployment rate), it constitutes a dereliction of ISO's duty to California. By suffocating renewable energy development in the IID BAA, the ISO is depriving California of vast amounts of geothermal and solar power located within the State, under the governance of people thirsting to produce and export that power.

ISO's actions, already indefensible, became even more intolerable in light of California's decision to boost renewables to 50-percent. Where better to obtain that power than the IID BAA?

IID went forward with costly upgrades to Path 42 in reliance on ISO assurances only to face betrayal when ISO slashed the IID MIC from 1400 megawatt to 462 megawatt, a 938 megawatt reduction. IID can no longer be so trusting. Accordingly, IID insists upon written assurances from CAISO that any upgrades to the "S" line will *increase*, and not decrease, IID's MIC at the IV substation intertie. Pending receipt of such assurances and specification of the amount of MIC increase, IID is left with little option but to suspend such "S" line upgrades in order to avoid further stranded investments. IID fervently hopes that the ISO will change course and properly discharge its obligations to the State of California and the IID.

*Interaction between IID "S" and ISO SWPL 500kv line:*

In light of the suspension of the IID transmission upgrade on several lines including the "S" line, IID has made the assumptions described below in regard to its system. We ask the ISO to utilize these assumptions in all its Transmission Planning studies, including deliverability and calculation of IID MIC. Assume:

- a. that IID has entered into three long term point to point Transmission Service Agreements (TSA) and has sold a total of 190 megawatts of transmission capacity on the IID – ISO SDGE intertie, or the "S" Line in the direction of El Centro to Imperial Valley 230-kv sub. The 190 megawatt TSA was in effect starting 2015 and will continue to 2035. The users of the new TSA are paying IID for transmission capacity in accordance with the IID Tariff.
- b. that the ISO limits the SWPL line in all its Transmission Planning studies in accordance with ISO Procedure No. 7820. Under that procedure,  $SWPL\ Flow = \frac{("S" \text{ line rating} - "S" \text{ line flow})}{27\%} = \frac{(405 - 190)}{27\%} = 796\ MW.$ <sup>1</sup>

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<sup>1</sup> For years the IID has voiced a concern that the ISO has relied on IID Transmission Capacity, specifically on the "S" line, to flow energy on the SWPL with zero compensation. This action concurrently resulted in blocking IID's connected renewable generation from utilizing IID's own lines to export to the ISO. For instance, the ability for the ISO to flow 796 MW can only be achieved by relying on 215 MW on IID "S" line capacity. IID requests that ISO advise its Scheduling Coordinator that 27% of the SWPL flow would require obtaining IID transmission capacity reservation and payment to IID.

As stated above, the flow of the SWPL line is highly dependent on the transmission availability of the IID "S" line. For instance, if the IID "S" line is fully subscribed from El Centro to the Imperial Valley Sub, then the SWPL flow would be nearly zero.

Recently, IID has received two requests, totaling 150 megawatt, to acquire long term point to point Transmission Service Agreements from El Centro to the Imperial Valley 230kv. If IID grants an additional 150 megawatt, this will result in a total of 340 megawatt of exports from IID to ISO SDGE intertie through the "S" line. The result would significantly impact the SWPL flow, and in fact, limit the SWPL flow to 237 megawatt.

The impact of the loss of the SWPL line, as we all witnessed during the September 8, 2011, outage remains a critical contingency to both BAAs. Although the SWPL line is not in the IID BAA, the loss of the SWPL line represents the single worst contingency for IID BAA. Therefore, IID wishes to work with the CAISO to ensure reliability to both BAA's. As stated in ISO Procedure No. 7820, 27-percent of the SWPL line flow depends on IID's "S" line available capacity. IID finds itself in an unenviable position where the users of SWPL do not compensate IID for the use of its transmission capacity on the "S" line, while other users of the "S" line are paying for transmission capacity on the same "S" line.

We are working towards a re-submittal of the base cases to ISO, which will reflect suspension of IID's "S" line upgrades, the 190 megawatt exports on the "S" line, and compliance with ISO operating procedures on the SWPL line. We also offer to work with you to ensure fair and equitable use of all transmission capacity in an open and non-discriminatory fashion.

Very Truly Yours,



Carl Stills

Energy Manager

IMPERIAL IRRIGATION DISTRICT

cc: Kevin Kelley (General Manager)  
Carl Stills, Energy Manager (IID)  
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