2018-2019 Transmission Planning Process (TPP)
Draft Study Plan Comments

Submitted by	Company	Date Submitted
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PG&E appreciates the opportunity to provide comments in response to the Draft Study Plan in the CAISO's 2018-2019 Transmission Planning Process (TPP) and the discussion at the stakeholder meeting on February 28, 2018.

5. Economic Planning Study

5.2 Local Capacity Areas

PG&E supports the CAISO's effort for a review of existing local capacity areas in the 2018-2019 planning cycle to identify potential transmission upgrades that would economically lower gas-fired generation capacity requirements in the local capacity areas or sub-areas.

PG&E recommends that a comprehensive study should take into account both local and system level perspectives and should include at a minimum:

1. A local area/sub area reliability assessment for the Greater Bay Area, Stockton and Sierra local capacity areas.
2. Assessment of impact of retirement of local resources on CAISO system reliability.
3. Assessment of impact of retirement of existing RMR resources.[1]

To meaningfully perform 1 and 2 above, PG&E requests CAISO work with the LSEs to reflect resource plans in the local area studies (i.e., model contract expiration date). In addition to identifying potential transmission upgrades that would economically lower gas-fired generation capacity requirements, PG&E urges the CAISO to also consider cost effective alternatives (e.g., renewing existing contracts, storage, and other preferred resources) as potential solutions to mitigate local capacity issues created by generation wishing to retire.

[1] In areas where the TPP has already approved a solution to mitigate an RMR need, the CAISO should continue to assess the impacts during the interim until the solution comes on line and the existing RMR is allowed to lapse.

PG&E recognizes that in order to develop a "least regret" alternative for local area resources, it is prudent to consider load growth sensitivity scenarios (such as load growth to higher level of penetration of EV or building electrification) and in some areas hydro generation sensitivity scenarios as well.

In regards to the local capacity areas to focus on, since it will not be practical to include all local areas in the PG&E System in this cycle, PG&E requests the CAISO, at a minimum, perform this economic planning study for the Greater Bay Area, Stockton and Sierra local capacity areas and sub-areas.

Examining the LCR needs in the latest Local Capacity Technical Analysis report, and the publically available PPA information for natural gas-fired facilities, these three local capacity areas appear to be exposed to high risk of generation deficiency in the event additional gas-fired generation in these local areas were to retire. The table below summarizes the total available generation in the three LCR areas, LCR needs, and the amount of MW of gas fired generation that could retire in the next 10 years. The table also shows the potential generation MW deficiency given the potential retirements.

LCR Area	Currently Available LCR Capacity (MW)	2018 Minimum Area LCR Need (MW)	At Risk Generation Name Plate Capacity (MW)	At Risk Generation NQC (MW)	Potential Deficiency (MW)[2]
Greater Bay Area	7103	5160	5527	5143	3200
Stockton	605	719	327	299	414
Sierra	2125	2113	290	196	184

[2] The potential deficiency could be greater as the amount depends on how much of the currently available generation is effective for Category C mitigation.

PG&E encourages the CAISO to develop a comprehensive study plan for Local Capacity Areas with LSEs and other stakeholder inputs. PG&E looks forward to working with the CAISO on developing this study plan and to participating in the evaluation of the above local capacity areas.

9. Special Studies

9.2 Increased Capabilities for Transfers of Low Carbon Electricity with the Pacific Northwest

On February 15, 2018, the CAISO received communication from the Robert B. Weisenmiller, Chair of the CEC and Michael Picker, President of the CPUC, requesting that the CAISO undertake specific transmission sensitivity studies within the 2018-2019 transmission planning process. These studies would focus on evaluating key options to increase transfer ratings of the AC and DC interties with the Pacific Northwest, and assess what role these systems can play in displacing generation whose fuel supply is tied to Aliso Canyon storage facility.

To ensure an optimal assessment regarding the increase in transfer ratings, PG&E requests the CAISO develop a study plan with stakeholder input that includes a process to determine the system conditions under which an increase in transfer ratings of the Pacific Northwest (PNW) AC and DC interties may be needed. The system conditions studied should consider coincident gas and electric system demand and supply. It is particularly critical to note that the Northwest is a winter peaking (energy) system and exports from that system are subject to wide variations in hydro production. Given such volatility in power availability, the effectiveness intertie upgrades should be studied under a range of wet and dry hydro and temperature conditions.