May 16, 2023

CAISO Board of Governors
Chair Mary Leslie
Jan Schori
Severin Borenstein
Angelina Galiteva
Joe Eto

Re: Revised Draft 2022-2023 Transmission Plan
NCPA Comments to the Board of Governors

Dear CAISO Board of Governors:

The Northern California Power Agency (NCPA) appreciates the Board’s consideration of NCPA’s prior comments submitted in response to the CAISO Draft 2022-2023 Transmission Plan, and NCPA supports CAISO staff delaying the advancement of the proposed Trout Canyon-Lugo 500 kV project in its Revised Draft 2022-2023 Transmission Plan, subject to further evaluation and study. Although NCPA remains concerned about the overall transmission costs California electric consumers will be asked to pay for the collective set of proposed transmission projects contained in the Revised Draft 2022-2023 Transmission Plan, removing the $2 billion-dollar Trout Canyon-Lugo 500 kV project for further evaluation and study is a significant action.

With $7.3 billion in estimated new investment, the Revised Draft 2022-2023 Transmission Plan will be the most expensive plan in CAISO’s history. CAISO estimates the high voltage transmission access charge will increase from under $15/MWh today to over $22/MWh in a decade.¹ That estimate does not include the possibility of cost overruns (an inevitability), transmission investments made outside CAISO’s planning process (historically the bulk of transmission investment), or the impact to the low-voltage transmission access charge (which substantially exceeds high-voltage in certain TAC areas); thus the true impact to California electric consumers will be much greater than the CAISO estimates alone.² NCPA

¹ CAISO Revised 2022-2023 Transmission Plan at 174 (May 10, 2023) (“Revised Plan”).
² See Comments of the Bay Area Municipal Transmission Group (Apr. 25, 2023) (analyzing rate impacts and estimating a 65% increase in HV TAC) see also Comments of Southern California Edison “SCE urges the CAISO to recognize that the project costs (both incumbent and competitive) are conceptual and will likely increase with more defined project scope, particularly for the large transmission projects that will require new ROW and licensing”, both available at
further notes that Southern California Edison (SCE) stated in its comments in response to the CAISO Draft 2022-2023 Transmission Plan that “SCE is optimistic the CAISO’s identified needed transmission investment to safely and reliably operate the grid and integrate renewable resources will soon intersect or closely approximate the up to $75 billion in transmission investment identified in Pathway 2045.” The Board of Governors must consider the rate impact, and resulting affordability concerns, of continuing to approve extensive investment in transmission.

The Board of Governors must also recognize that well over a hundred previously approved projects have not reached construction completion, and many of those have faced significant delays from their original expected in-service date. The Revised Draft 2022-2023 Transmission Plan does not assess the feasibility of approving nearly fifty new projects to add to that queue.

In order to maintain cost control, the Board of Governors should also be prepared to re-evaluate projects approved in this Revised Draft 2022-2023 Transmission Plan. The plan is based on assumptions of project costs, load growth and resource portfolios which are likely to evolve in the coming years. Several projects being considered for approval would not be justified considering the base case alone, but rather are being proposed because of information provided in sensitivity cases. CAISO correctly held back the Trout Canyon-Lugo 500 kV project, which was not shown to be needed in the base case studies. Other projects, too, could be held back or re-evaluated in a future plan as key study assumptions continue to evolve.

Ultimately, the Board of Governors is responsible for approving a transmission plan that will support reliable electric service to California electric consumers, and that can be delivered through just and reasonable rates. In doing so, this Board must avoid only considering a narrow cost impact analysis focused solely on the high voltage TAC, but rather must also acknowledge and consider the total costs faced by California electric consumers for all transmission investments that may be required to achieve state policy objectives and goals. Furthermore, NCPA urges the Board to ensure that it is taking all appropriate steps to evaluate whether each project being approved is the most cost-effective way to meet California’s transmission needs, and that the plan remains consistent with realistic forecasts and changing system conditions over time.

NCPA looks forward to the continued opportunity to work with the CAISO and other stakeholders to ensure current and future transmission planning efforts continue to support

https://stakeholdercenter.caiso.com/Comments/AllComments/3b5eb926-9bce-4c7f-806c-9ae156a4f9f3#org-56faec6a-5e67-4edd-9513-80bb6aa5a120.

3 See comments of Southern California Edison (April 25, 2023).

4 For example, a remedial action scheme at the Innovation substation could obviate the need to build the $242 million Trout Canyon – Sloan Canyon 500 kV upgrade project. See Revised Plan at 76-77.
the goal of reliable electric service for California electric consumers, but in a cost effective and affordable manner.

Sincerely,

Tony Zimmer
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Northern California Power Agency