Stakeholder Feedback

CAISO Integration of Renewable Resources (IRRP)

January 13, 2009 Stakeholder Meeting

Organization: San Diego Gas & Electric (SDG&E)	**Date Submitted:** January 20, 2009
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Industry Segment: Investor Owned Utility	

The CAISO is seeking feedback on: (1) the scope and methodology of the existing fleet 20% RPS Study and draft preliminary results and (2) the frame and plan for the working group process for the 2009 Integration Studies.

Feedback is to be sent to Jim Blatchford at jblatchford@caiso.com. Submissions are requested by close of business on **Tuesday January 20, 2009**.

Overall comments:

- SDG&E appreciates the CAISO's intent to modify the overall IRRP process regarding studies for the integration of the 33% goal to improve the process, however, would caution that being overly dependent on 'working group' results will likely cause timeliness issues.
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Comments specific to the existing fleet study:

- SDG&E is concerned that the Plexos model (with only two zones and no network model) might not be robust enough to give accurate results. System constraints that are not taken into account in the current Plexos modeling may bias results toward showing fewer violations since constraints can limit the use of some AS resources.

- SDG&E believes that in the current Plexos modeling (that does not allow hydro to provide ancillary services - AS) may significantly bias results toward showing more violations, since hydro normally does provide significant AS. This may offset errors caused by ignoring most system constraints, but their relative magnitudes are unknown and they should be explicitly included in the analysis.

- SDG&E believes that the Plexos approach of holding conventional generation at current levels (and not including expected growth of ~3300 MW of new conventional generation) as a proxy for once through cooling (OTC) generation losses is a poor approach. SDG&E recommends including a scenario with actual OTC elimination implemented (SDG&E believes that this also must be done for the 33% study). Also (as discussed during the 1-13 conference call), operational characteristics of the new conventional generation units that will be brought on-line will differ from the old units that would be forced to retire due to OTC.

- GHG impacts must be included in the results for the various Fleet Characteristics analyzed. Different mixes of renewable resources can have the same RPS outcome, but have different GHG impacts from different backstopping needed from fossil units.

- The fleet characteristics analyzed and other study parameters (i.e.: ordering of violations) must be consistent with other initiatives working in parallel. For example, as discussed during the January 13 conference call, the penalty costs imposed for the various violations analyzed have a different rank order than that utilized in MRTU.

- As discussed during the January 13 conference call, SDG&E agrees that load growth assumptions should be modified to reflect current and more recently forecasted economic conditions which take into account the current recession. The CEC has already adjusted the load for the SCE area (but not SDG&E or PG&E) for the 2010 LCR study. Hopefully all loads will be adjusted in the draft 2009 IEPR electricity peak demand forecast, due in April 2009, and this should be used.

Comments specific to the CAISO's intentions regarding future studies (integration of the 33% goal in 2020):

- Since the legislature seems eager to adopt a 33% bill, SDG&E suggests that it would be valuable to have the CAISO project a future (2020) 33% resource mix (perhaps based on the 33% renewables case developed through the RETI process) to aid in the modeling process. This could lead to a quick turnaround estimate of impacts to inform legislation. Then, stakeholder input could be used to refine estimates later in the process.

- At this point, SDG&E agrees with the intended studies (ramping and ancillary services evaluation, fleet characteristics analysis, overgen, others - fast reg, wide area storage and mgmt system, evaluation of inter-hour scheduling at interties, impact on gas transmission and storage).