

Stakeholder Comments Template

CAISO's April 18, 2018 draft "Local Capacity Requirements Potential Reduction Study"

| Submitted by | Company | Date Submitted |
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Submit comments to RegionalTransmission@CAISO.com

Comments are due April 25, 2018

Comments:

Coordination Between the CAISO and the Stakeholders

Except for the November stakeholder meeting, it is unclear when in the special study process, the stakeholders will be looped in to help and give feedback either on the results of the studies or in the exploration and assessment of alternatives. SDG&E encourages the CAISO to add more milestones to the schedule. This will enable the stakeholders to be more engaged.

Example of key touch points could be the publication of:

- The LCR results with the new 2018/2019 TPP cases
- The list of proposed transmission and generation projects the CAISO will evaluate
- Detailed assumptions and methodology used to evaluate transmission and generation projects

The period between November 16 and January 31 is very short and includes several holidays. If the information listed above is not shared with the stakeholders ahead of time, there will be very little time for the PTOs to properly assess the CAISO results.

Potential Transmission Upgrades and Preferred Resources Additions

Transmission upgrades have been submitted to the CAISO in previous cycles that could potentially reduce the LCR of the San Diego sub areas and the San Diego-Imperial Valley area (SD-IV). The study scope is not clear on whether some of the previously submitted projects by the stakeholders will be re-evaluated or the CAISO will come up with new transmission projects. It would help to know if the CAISO already has a list of transmission projects they are considering and it would also help if the list could be shared with the stakeholders before the CAISO evaluates them. This will give enough time to the stakeholders to true up cost estimates and help the CAISO come up with more realistic transmission project scopes.

Methodology and Assumptions

It is uncertain how the CAISO will use “Local resources located in disadvantaged communities” in the LCR reduction evaluation. Detailed assumptions used by the CAISO to evaluate the cost of preferred resources and the explicit impact disadvantage communities have on the calculations should be shared with other stakeholders. Furthermore, besides potential societal benefits, SDG&E also encourages the CAISO to estimate the potential effect LCR reductions have on the cost of RA contracts. Meaning, having a bigger pool of resources available to procure after an LCR has been reduced should put downward pressures on RA costs since there would be more competition from generator owners to secure RA contracts.

The study scope states, “In addition to the most limiting constraint that establishes the current LCR need (areas or sub-areas) discussed in the LCR report, the subsequent next limiting constraints will also need to be assessed.” It is unclear if this statement means that proposed mitigations will need to address overloads caused by P6 contingencies and subsequent P1 (or P6) contingencies or the subsequent next limiting constraint will be assessed for informational purposes only.

The study scope is also not very clear on the study year horizon and the NQC values of renewable generators that will be used during the forecast evening peaks. The study scope seems to imply a 2028 study year. It would be helpful if the CAISO could confirm it.

Finally, greater specificity and detail on how the CAISO will use “load shapes vs. LCR needs to estimate preferred resource characteristic requirements for replacement of gas-fired generation with new energy-limited resources” will provide much value.

Operation of the Imperial Valley Phase Shifting Transformers

SDG&E welcomes CAISO’s feedback that they do not question the technical feasibility of the phase shifters to control flows bidirectionally and are open to further discussions with SDG&E, CENACE, and CFE. However, as part of the special study, it would be helpful if the CAISO could perform sensitivity studies to determine the maximum amount of south-to-north flow that can be scheduled on the 230 kV Imperial Valley-La Rosita phase shifters to minimize the SD-IV LCR. This information will be very useful during the conversations with CENACE and CFE. SDG&E notes that the CAISO has not yet identified any reliability-based concern that would restrict the phase shifters from being operated in a mode that creates south-to-north flows on the 230 kV Imperial Valley-La Rosita line. Furthermore, south-to-north flows on the phase shifters will also not violate the current WECC Path 45 ratings. SDG&E encourages the CAISO to fully assess the impact the phase shifters while work is being done to bring all parties involved to an agreement.