

## TransCanyon LLC's Comments

### DRAFT 2015-2016 CAISO TRANSMISSION PLAN

Submitted by	Company	Date Submitted
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TransCanyon, LLC (“TransCanyon”) appreciates the significant efforts in the development of the California Independent System Operator (“CAISO”) draft 2015-16 transmission plan. We are in agreement with the results presented during the February 18, 2016 stakeholder meeting to present the overview of the CAISO planning assessment.

We encourage the CAISO to continue to monitor the Once Through Cooling (“OTC”) generation along with other resource procurements moving forward especially in the context of local capacity requirements (“LCR”) and the reliability in the LA Basin and SDG&E areas. It appears that the studies are relying heavily on various mitigation plans during contingency conditions especially in the short term. Though this analysis has provided adequate signals for the California Public Utilities Commission (“CPUC”) to determine procurement plans for LSEs, TransCanyon believes that for a system to perform robustly, in addition to proper procurement, there needs to be adequate margins in transmission during contingency conditions. Maximizing the utilization of the current transmission infrastructure could lead to undesirable consequences during real-time system operations.

The CAISO has indicated that the Suncrest reinforcement project proposed by CAISO as a possible mitigation for reliability concerns and also by SDG&E as a PTO project is not needed at this time because sufficient short term mitigations from SPS, re-dispatch, and additional preferred resources are available for contingency response. TransCanyon believes that there may be scenarios such as high imports of renewables into the SDG&E system due to generation interconnections at Imperial or due to other policy initiatives which could result in more severe system response to these contingencies. TransCanyon understands the desire to utilize the short term mitigations and looks forward to further analysis in future assessments by

## CAISO

the CAISO for a more permanent transmission solution that would reflect any policy and economic benefits that the Suncrest reinforcement project may have.

TransCanyon appreciates the efforts from the CAISO on the 50 percent Renewable Energy Special Study. We would like to make the following comments for the CAISO's consideration.

- It is unclear how the transmission capability estimates for renewable zones were computed by the CAISO. Understanding that this is more a qualitative effort, it would be useful to include additional description of the assumptions along with a methodology. As a new version of the RPS calculator is being developed, it would also be helpful to obtain information on how additional constraints being included in the model would result in a change in the outcomes of the amount of generation and selection of the renewable zones. TransCanyon believes that these changes may affect the selection of CREZ zones and eventually may trigger further policy or reliability projects within CAISO.
- The results of varying the level of export limits are also of particular interest to TransCanyon. We believe that relieving any physical constraints on exports with new transmission may enable the integration of additional renewable energy and the seamless exchange of power between neighboring balancing areas under the current CAISO footprint as well as under an expanded footprint. TransCanyon believes there is significant value in quantifying the costs of the curtailments so that a cost benefit analysis can be performed to determine if additional policy driven transmission to reduce the curtailment would be beneficial.

TransCanyon appreciates the assessment of the economic projects submitted in the planning window and the determination of the amount of congestion on Path 15, Path 26 and on COI. The CAISO indicated that it does not expect the congestion on these paths to increase in the planning horizon. TransCanyon would like to get clarity on these constraints in a high renewable case (40% delivered or a 50% RPS) and if there are any transmission projects that may gain more benefits under these circumstances.

TransCanyon recommends that the CAISO continue evaluating its system in the different special studies i.e., the gas electric coordination, storage and frequency response study in order to inform stakeholders about the various system conditions that can put the system at risk.

TransCanyon again appreciates the opportunity to provide these comments. We look forward to continued participation with the CAISO and other stakeholders in the Transmission Planning Process, including presenting comments on the draft study plan for the 2016-2017 Transmission Planning Cycle.

### **About TransCanyon**

TransCanyon is an independent developer of electric transmission infrastructure for the western United States. It is a joint venture between Berkshire Hathaway Energy's subsidiary, BHE U.S. Transmission, and Pinnacle West Capital Corporation's (NYSE: PNW) subsidiary, Bright Canyon Energy.