

Wellhead Electric Company Comments on Draft Study Plan for 2019-2020 Transmission Plan
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Wellhead Electric Company (“Wellhead”) appreciates this opportunity to provide these brief comments on the CAISO’s Draft Study Plan for the 2019-2020 Transmission Planning Process. Wellhead would like to take this opportunity to commend the CAISO staff on its continued evaluation of reliability concerns as the resource fleet evolves towards 2030 and beyond. Key to the reliability studies is the treatment of gas-fired resources – specifically assumptions around retirement. As the CAISO’s gas-fired retirement study presented within the 2018-2019 TPP cycle showed, there are concerns regarding capacity shortfalls with the assumption that gas-fired resources will retire at 40 years. Given this reasonable assumption, Wellhead strongly encourages the CAISO to continue its efforts in evaluating reliability issues and providing insightful information as to the most effective resource types that can address the issues while helping the California meet its renewable and GHG goals.

Wellhead understands that the CAISO is not planning on conducting any additional special studies within the 2019-2020 TPP other than assessing the remaining LCR areas for alternatives to gas-fired generation. However, Wellhead believes that further elaboration on the 40-year gas fired retirement scenario from the 2018-2019 TPP would be of continued use. The study results note a set of resource types that would not be effective in addressing the capacity shortfalls¹, but is not clear on what resource types (or characteristics) would be most effective; thus, Wellhead strongly encourages the CAISO to clearly define what type of resources, or resource characteristics, will be most effective in relieving the capacity shortfalls that occurred in its studies, ideally within this TPP cycle or, at a minimum, another transparent stakeholder process.

Lastly, Wellhead also asks that within the LCR assessment studies scheduled to take place within the 2019-2020 TPP cycle, the CAISO consider hybridization as an alternative to gas-fired resources. While hybridizing gas-fired resources does not completely replace them, it does make them “greener” by enhancing operating attributes such as operating range, speed, gas burn, and flexibility. Hybrid modifications allow current resources to meet higher reliability requirements while further reducing GHG emissions. Even using just one LCR area would be informative as it may illustrate the potential benefits from a reliability and economic standpoint of using hybridization as a way to effectively and reliably transition towards the states’ ambitious GHG and renewable goals.

Wellhead looks forward to continuing to engage with the CAISO on this topic and is more than willing to provide additional information necessary to further evaluate hybridizing existing gas-fired resources.

¹ “If 1,077 MW effective capacity of other types of new resources, such as renewable, except solar, storage, demand response, and AAEE are added, all 3,277 MW gas-fired generation resources that are 40 years or older could be retired without causing reliability problems” pg 465 Draft 2018-2019 Transmission Plan