

BAMx Comments on the CAISO August 6 Stakeholder Call **AV Clearview Project**

The Bay Area Municipal Transmission group (BAMx)¹ appreciates the opportunity to comment during the CAISO review of the AV Clearview transmission project proposal. The comments and questions below address the material discussed during the August 6th Stakeholder call.

The Plan of Service of the Project Lacks Justification

The AVClearview project has been proposed as an alternative to SCE's Coolwater-Lugo 230 kV Transmission Project, the functional purpose of which is to provide Full Capacity Delivery Service (FCDS) to generation projects in the West Mohave area. However, there are elements to the proposed project whose role in providing such FCDS are not clear and have not been explained. These include:

1. The purpose and need for a 500/230/115 Yeager Substation.
2. The purpose and need for two 500 kV lines between Windhub Sub and the proposed Yeager Substation.
3. The purpose and need for a 115 kV back-up supply to Edwards AFB. If such a backup is justified, other, lower cost alternatives must be explored.
4. The purpose and need for 500 kV facilities and additional 500/230 kV transformer capacity. A determination should be made whether a 230 kV DCTL between Windhub and Kramer meets the functional purpose. If additional bank capacity is needed, can it be included in the plan in such a manner that the decision can be postponed until the actual generation development is better understood? For example, installing the transformer at Windhub would allow utilization of existing transformers until the need for the bank is justified by generation projects actually moving forward.

The Ultimate Need for Additional Transmission in This Area Is Uncertain

The need for transmission upgrades in this area to meet the 33% RPS is questionable. In the CPUC/CEC portfolios, while the Commercial Interest shows 762 MW in the Kramer CREZ, both the Environmental and DG portfolio only show 62 MW. Therefore, more fundamental than the comparison of Coolwater-Lugo 230 kV potentially providing 720 MW of FCDS versus 500 MW for AV Clearview, is whether either project is needed for the 33% RPS goal. While slide 9 lists four proposed generation projects that could benefit from either of these transmission projects, whether any of these generation projects have PPAs or have made any substantial deposits toward transmission expansion costs should be an important consideration in not only the project scope selected, but also the pacing of committing to any transmission upgrades on their behalf.

¹ BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, and City of Santa Clara, Silicon Valley Power.

The Lack of Cost Information Results in an Incomplete Comparison.

While the CAISO analysis begins to compare the capability of each alternative to provide FCDS to generators in the interconnection queue, cost information is an important part of the selection process. This would include not only the total project costs, but also the willingness to commit to cost caps. Also needed is a breakdown of component costs, so that individual elements of the scope can be separately considered.

Conclusion

BAMx does not support the AV Clearview Project nor the Coolwater-Lugo project at this time. BAMx believes there are ways to reduce the scope of the proposed AV Clearview. Such reduced scope needs to be evaluated, and then the projects need to also be compared on a net TAC impact before recommending/approving either one as needed to meet the State's 33% RPS goals.

If you have any questions concerning these comments, please contact Robert Jenkins (888-634-0777 and robertjenkins@flynnrci.com), or Barry Flynn (888-634-7516 and brflynn@flynnrci.com)