

**Joint Comments of California Consumers Alliance and Save the Foothills Coalition regarding the CAISO Draft Central California Study Scope, Conference Call, and Addendum to the 2012/13 TPP Unified Planning Assumptions and Study Plan**

California Consumers Alliance (CCA) and Save the Foothills Coalition (SFTC) appreciate and support the CAISO Central California Study Plan. However, due to the complexity and numerous discrete issues involved, we are disappointed that the ISO now intends to limit the study. We were anticipating a fuller stakeholder process as we believe was proposed in the earlier development of the 2012/13 TPP Study Plan. We believe that a scaled back approach may fail to provide opportunities for all stakeholders to be accurately informed, understand what the Central California grid requires by 2022, and engage in the identification of the most efficient solution(s)--we respectfully request the ISO to reconsider.

**Conference Call Comments**

Because several stakeholders chose to bypass discussion on Phase 1 study scope issues and dive straight into Phase 3 with advocacy for their preferred outcome, we are compelled to point out Section 399.26 (b) (1) of the Public Utilities Code requires the ISO to: *Work cooperatively to integrate and interconnect eligible renewable energy resources to the transmission grid by the most efficient means possible with the goal of minimizing the impact and cost of new transmission needed to meet both reliability needs and the renewables portfolio standard procurement requirements.* We also urge note that in accordance with ISO Tariff Section 24.1.1, CAISO will perform or direct the performance technical studies and other assessments are necessary to identify transmission needs, and... those studies must utilize Unified Planning Assumptions to the maximum extent practical...

At this point CCA and STFC object to Natural Resources Defense Council's (NRDC) suggestion that Midway-Tesla 500 KV transmission line is necessary for achieving a high level of 33% RPS eligible renewable generation in the San Joaquin Valley. We find NRDC's conclusions at the very least, presumptuous, and a distraction from the development of a supportable study plan. We also disagree with Westlands Solar Park's (WSP) opinion that RETI's conceptual transmission identifications were sufficient for ISO approval of new transmission in Central California. Furthermore, taken at face value, NRDC and WSP advocacy discredits the reasonable argument that the Westlands CREZ is strategically located.

After numerous Path 15 related studies<sup>1</sup> over the course of the last seven years, we are not aware of any technical transmission study validating high levels of renewables in the San

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<sup>1</sup> Tehachapi Collaborative Study Group 2nd Report, California Independent System Operator (CAISO) Central California Clean Energy Transmission Project (C3ETP) initiative 2007-2009, Renewable Energy Transmission Initiative Phase 1-2 Final Reports, CAISO 2010/11 TPP Midway-Gregg PG&E request window proposal, WECC EC1A-1 Analysis, CAISO 2011/12 Adopted Comprehensive Statewide Plan, CTPG Final 2011 California Statewide Plan

Joaquin Valley requiring new bulk transmission, or, a 500 KV upgrade in Central California that is needed or economically justified. Conversely, while not a decision making authority, we note the California Transmission Planning Group (CTPG) recently performed a *Central California Scenario Renewable Dispatch* analysis and published their results in the *Final 2011 CTPG California Statewide Transmission Plan*. The CTPG concluded that nearly 5 GW of installed capacity from 33% RPS eligible resources located and injecting power at western San Joaquin Valley substations in the summer peak foundation case could be supported--without a Midway to Tesla 500 KV line.

We also object to NRDC's suggestion that a reliability upgrade of the magnitude of Midway-Tesla 500 KV proposal should be approved in order to support uncertain future policy driven projects. Adopting NRDC's suggestion would not comport with clear categorization of projects, which was a key issue addressed by revisions to the Transmission Planning Process (TPP) approved by FERC in 2010, or the equitable application of cost causation principles. It is also our understanding the TPP now methodically follows the Procurement process (not vice versa) which in turn will help to reduce ratepayers' and the environment's exposure to under-utilized transmission. We believe the net effect of incorporating NRDC's suggestion would be a significant step backward, tantamount to acceptance of a paradoxical approach to transmission planning.

In lieu of promulgating unsubstantiated transmission projects, we urge these stakeholders to see the value in a measurable and equitable Order 890 compliant planning process that first determines need(s) as a reasonable way forward, and recognize that the ISO tariff and the law requires it.

On the other hand, CCA and STFC are in full agreement with stakeholders who call for timely access to relative data, transparency, and expanding the range of alternatives to be analyzed in Central California. We particularly concur with the sound advice provided by consultants for Bay Area Municipal Transmission Group (BAMx) and request the ISO incorporate BAMx input into Central California Study Plan.

### **Draft Study Scope Comment**

Draft Study Scope, Section 2--Study Objectives, describes a system needs assessment (reliability, potential policy, and economic opportunities) and an objective of *assessing ...the potential to allow for operation of flexible capacity to help integrate renewable energy*.

CCA and STFC request ISO clarify if the assessment will involve evaluating local and system wide *flexibility capacity* need? And, if a deficiency exists, we believe the most efficient solution to fulfill flexible capacity should be identified--It is not clear why the Helms Pumped Storage Plant is the only resource indicated in the draft study scope.

It is our understanding that the Central California Study was triggered by PG&E's 2011 request window submission for joint studies with ISO of the proposed Midway to Tesla 500 KV project. However, prior to 2011, ISO analyzed the need for upgrades in Central

Ca. including the support of three always available Helms unit pumping--driven by the assumption that all three pumps would be useful in the integration of renewables in off peak load conditions. At that time, the ISO stated<sup>2</sup> that it intended to evaluate the need for a project utilizing updated results of its renewable integration studies. While significant time has passed, we have not seen any substantial utilization of results of renewable integration studies in the evaluation of transmission needs or the TPP in general. Nor have we seen any analysis that shows having three Helms units always available is justified--it is not even clear that the operational characteristics, unit maintenance issues, and, seasonal and daily pumping constraints of Helms make it a sufficiently "flexible" resource in integrating variable generation.

In summary we urge ISO to expand the study scope to include detailed evaluation of needed capacity, and broaden the range flexible resources it intends to evaluate. Most importantly, the study should strive to identify and enable the most economical solutions.

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<sup>2</sup> PP.358 2010/11 CAISO Transmission Plan