

**COMMENTS OF THE STAFF OF THE CALIFORNIA
PUBLIC UTILITIES COMMISSION**

**ON THE 2016-2017 TRANSMISSION PLANNING PROCESS SPECIAL STUDIES AS
PRESENTED AND DISCUSSED IN THE JUNE 13, 2016 STAKEHOLDER WEBINAR**

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June 27, 2016

Introduction

The Staff of the California Public Utilities Commission (“CPUC Staff”) appreciates this opportunity to provide comments regarding the updated status and plans for several “Special Studies” associated with the 2016-17 Transmission Planning Process (“TPP”). We appreciate the relevance of these studies as well as the opportunity to learn of and comment on current status and plans for the studies. Also, as stated below we hope and expect (and look forward to) opportunities to provide additional comments and recommendations for particular studies where appropriate, later in the current TPP cycle when directions and details of the studies are further developed.

- 1. CPUC Staff Hope and Request That There Will be Additional Opportunity to Understand and Comment Further Regarding the Special Study of Required Performance Characteristics for Slow Response Local Capacity Resources – Once Study Results and Conclusions Have Been Posted.***

Stakeholders should be able to more clearly assess and comment on the “Method 1” (PTO analyses) and “Method 2” (CAISO analyses) parts of this study as well as how they are combined to produce conclusions, once concrete results and their interpretation have been posted.

2. The CAISO Should Clarify What Updates From the 2015-16 Transmission Plan Analyses Will be Incorporated into the Updated Large Energy Storage Benefits Study Including What 50% RPS Portfolio Will be Used, and Should Study the Same Two Hourly Net Export Limits of 2000 MW and 8000 MW Used in the SB 350 Benefits Study.

CPUC Staff look forward to the opportunity to view and comment on study assumptions and results when these are available, such as at a subsequent TPP stakeholder meeting.

3. The CAISO Should Clarify Several Important Aspects of the Study on Economic Retirement of Gas-Fired Generation, and CPUC Staff Look Forward to That Information as Well as Opportunity to Comment Further, for the September TPP Meeting.

The CAISO should clarify what loads and resources case(s) including what 50% renewable portfolio from “2015-16 production cost models” are used for the preliminary screening step in the “Economic Early Retirement” (of gas generation) study. The CAISO should also specify what services will be considered when assessing a generator’s modeled non-contribution to ancillary services (e.g., contingency reserves? regulation up and down? what about flexiramp up and down?), as well as what year(s) will be modeled. We observe that gas generation capacity factors in general are likely to fall due to growing renewable generation, so that modeled “capacity factors below typical historical values” may not by themselves be sensitive indicators of early retirement, whereas ancillary services and capacity revenues may become more important. Lastly we understand that system RA needs (as well as flexible RA) will not initially be considered when assessing economic retirement potential, but will be brought into the analysis’s screening step if initial results so indicate.

Finally, we look forward to upcoming information on study status including clarification of the above and other aspects of the study, as well as the opportunity to comment further based on that status.

4. For the Gas-Electric Reliability Coordination Study, Treatment of Nonconventional Resources Should be Very Clearly Explained and Considered (See Below) and We Look Forward to Additional Information and Opportunity to Comment in the September TPP Meeting.

As stated during the June 13 stakeholder webinar, CPUC Staff emphasize that it is important that the CAISO clearly identify what amounts, types and locations of nonconventional resources are included in the Gas-Electric Reliability Coordination studies, for the particular conditions (snapshots in time) that are studied, especially for mid- and long-term studies. In particular, these assumptions should be consistent with latest procurements and authorizations and with the latest CEC load forecast. The CAISO should also provide some assessment of what additional amount, characteristics (not necessarily technologies) and locations of additional nonconventional resources could mitigate identified reliability risks. Furthermore, the CAISO should clarify how the peak load shifting impact of behind-the-meter PV and a higher level of energy efficiency consistent with SB 350 are addressed. We look forward to such information as well as opportunity to comment further, for the September TPP meeting.

5. The CAISO Should Clarify How Uncertainties and Modeling Refinements Regarding Reactive Capability in Inverter-Based Generation Qualitatively and Quantitatively Impact the System Frequency Response Assessment.

This should include distinguishing reactive *capability* versus actual *provision* as well as how both of these relate to what reactive capability is specifically required under interconnection and other processes.

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