



# WESTLANDS

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## SOLAR PARK

May 9, 2012

TO: CAISO

FR: Westlands Solar Park

RE: Comments to the CAISO 2012/13 TPP: Central Valley Study Plan (Draft April 19, 2012)

The Westlands Solar Park submits the following comments to the CAISO 2012/13 TPP Central Valley Study Plan. We appreciate the CAISO staff developing a study plan on the transmission needs of the Central Valley that we believe are foundational upgrades for California's ability to meet its future renewable energy and electric reliability objectives.

The key areas we focus on in our comments to the draft study plan are on the need to expand the study objectives, the inclusion of more items in the sensitivity analysis (4.2.4), and relying on the flawed inputs for generator assumptions (4.7). Furthermore, we understand that the CAISO is modeling the study years consistent with the 10 year planning cycle but we believe for foundation transmission upgrades in the Central Valley the study horizon should be longer to reflect the renewable integration needs that will be triggered by higher amounts of renewable generation beyond the 33 percent by 2020 RPS goal. The higher amounts of renewable generation will be necessary as the state retires once thru cooling power plants and decarbonizes the existing portfolio to meet California's greenhouse gas reduction goals.

### Expanding the Study Objectives

We would like to see the CAISO expand the study objectives of the draft study plan to include delivery of the thousands of megawatts of renewable generation in the Westlands CREZ and non-CREZ areas (i.e., Westlands). In the June 1, 2011 CAISO queue the Fresno, Madera, Kings resource area had almost 8,000 MWs of commercial interest in the interconnection process that is only exceeded by three other areas (Imperial, Kern, Riverside) making the Central Valley one of the largest renewable energy regions in the state. Furthermore, as newer large scale renewable energy development in sensitive desert habitat becomes increasingly more difficult to permit and develop it will be necessary to focus towards resource regions like in Westlands as a means to help

geographically balance California's in-state renewable generation portfolio and diversify away from higher risk development areas.

The study plan should include more items in the sensitivity analysis

The sensitivity analysis for the Central Valley study should include higher renewable generation assumptions that are more in line with actual commercial potential in the Westlands area, as well as develop a study of the potential for lower line loss from generation and transmission in the Westlands area due to it being closer to load in comparison to some generation in the desert that have hundreds of miles of transmission required to bring their power to load. Also, the study plan should analyze the likelihood that generation in the Westland area would have more predictable weather patterns and less intermittency in comparison to generation in the desert areas that might be affected by monsoonal storms that can impact system performance and result in greater intermittency. Lastly, the sensitivity analysis should analyze the impacts from wildfires and the resulting outages that can be triggered in areas outside of the Central Valley and compare it to the benefits of transmission upgrades in the Central Valley where wildfire risk is negligible.

WSP seeks to change the renewable generation assumptions from the 2012/13 TPP resource portfolios in the Central Valley study plan. The CV study plan should create its own resource assumptions or assume the maximum commercial potential based on the Westlands CREZ and non-CREZ figures in the June 1, 2011 CAISO queue. The inclusion of least regret renewable generation assumptions in Westlands stems from the environmental superiority of the area and the proximity of generation in the CREZ to existing transmission corridors.

The March 23, 2012 joint CPUC/CEC letter to CAISO on renewable portfolio assumptions for the 2012/2013 TPP decreases the Westlands CREZ assumed generation from 800 MWs to 70 MWs in all four of the scenarios. When the question was posed at the April 2<sup>nd</sup> stakeholder meeting as to why the Westlands CREZ generation was substantially reduced, the response was that there were no commercial projects in the Westlands CREZ that would warrant maintaining the 800 MW assumption from the 2011/2012 TPP, or that would justify increasing this generation assumption. We would like to point out that last year in the Westlands CREZ there was more than 1,000 MWs of commercial interest in both the interconnection application process and in proposals submitted to the IOUs. Furthermore, it does not take significant analysis to see that the interest in developing the Westlands resource area and surrounding areas in the central valley has caught the appetite of dozens of companies and projects throughout Fresno and Kings counties totaling almost 8,000 MWs in the queue as of June 1, 2011. Achieving commercial interest is already a reality for the Westlands CREZ and the central valley as a whole, but expectations from the PUC/CAISO need to be sufficiently long-term oriented to provide this commercial interest longer than one solicitation cycle to pursue development goals to help the state meet its RPS and greenhouse gas reduction goals which are part of much longer term transitional needs of the state. California will need to live with these long-term infrastructure assets and their real costs to our ratepayers and the environment for decades to come and therefore a longer-term vision, development plan and ultimate build out are required.

Despite the significant number of GIAs in the Westlands region and other resource areas of the state, the reliance on GIAs to drive resource planning is inherently flawed because commercial interest is short term and project driven in comparison to resource planning for transmission that must consider the economic, reliability and policy needs of the state that will be in place well beyond the life of a standard PPA contract. This is why the RETI stakeholder process determined that there needed to be foundation transmission lines that were least regret and could serve multiple objectives (i.e., renewable delivery, economic, reliability) and the Central Valley was where one of the foundation lines was identified as being needed. Now due to the lack of PPAs in the central valley to date (which has been highly impacted by the broken LGIA process and need for queue cluster reform) the CAISO and CPUC have not prioritized the upgrade of the foundation transmission lines in this area making larger scale commercial interest and development more challenging.