

BAMx Comments on the 2015-2016 Transmission Planning Process **November 16th Stakeholder Meeting**

The Bay Area Municipal Transmission group (BAMx)¹ appreciates the opportunity to comment during the development of the 2015-16 Transmission Plan. The comments and questions below address the material presented at the CAISO Stakeholder meeting on November 16, 2015.

Reliability Projects < \$50 Million

Panoche – Oro Loma 115kV Reconductoring

The Panoche – Oro Loma 115kV circuit reconductoring was originally proposed during 2014-2015 Transmission Planning Process (TPP) cycle. BAMx members have previously submitted a comment requesting CAISO analysis be completed using a series reactor to address this overload instead of reconductoring the circuit.² The comment was never addressed by the CAISO. BAMx would like to see this option analyzed before CAISO management approves this project.

Consideration of Canceling Previously CAISO Approved Projects

BAMx applauds the CAISO's efforts in reviewing the continued need for previously approved projects. If construction has not started on it, it is entirely appropriate for the CAISO to reconsider whether a previously approved project is still needed and if it is still needed, whether the originally proposed solution is the most appropriate. Some of the previously approved projects were approved many years ago and potential solutions, such as the installation of preferred resources to defer or eliminate the need for a proposed project, may not have been considered.

BAMx would appreciate more information on the process the CAISO uses to evaluate the need for previously approved projects. The CAISO should provide some analysis results to show why some previously approved projects were recommended for cancellation and why some were retained at this time.

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

² See p7 of the BAMx Comments at <http://www.caiso.com/Documents/BAMxComments2014-2015TPPStakeholderMeetingPreliminaryReliabilityResultsPTOProposedSolutions.pdf>

Policy Driven Assessment

Reliability Analysis of 2015-2016 Portfolios

Since there is no change in the Renewable portfolio for Northern California in 2014-15 TPP, we agree that the reliability assessment should concentrate on Southern California. We applaud the CAISO for finding lower cost measures to address the potential Lugo-Victorville 500kV line overload and the convergence issue upon loss of the Eldorado 500/230kV transformer bank.

Delivery Assessment for 2015/2016 Base Portfolio

BAMx continues to be concerned that the CAISO has continued to perform the deliverability assessment assuming that all the renewable portfolio resources need to be fully deliverable and that all CAISO ratepayers should pay for deliverability upgrades. Rather than designating transmission projects as policy-driven solely to allow intermittent renewable projects to be built to provide system RA when no such need exists, the CAISO should undertake a cost-benefit analysis to justify the deliverability and/or envisioned congestion decrease of any proposed new transmission project. Furthermore, the CAISO should determine whether all new proposed transmission is both necessary and the most economical alternative to meeting the State's resource adequacy needs. If Full Capacity Deliverability Status (FCDS) is not in the CAISO ratepayer's interest, deliverability should not be provided as part of the Policy Driven analysis. Of course, nothing should prevent such projects that desire deliverability from paying for the required upgrades, without reimbursement, if they find it in their interest to do so.

RPS Calculator v.6.1, which is used to develop the renewable portfolios for the 50% RPS Special study as part of the 2015-16 TPP, includes additional functionality that allows the model to select resources with Energy Only (EO) deliverability status, subject to the limitations of the existing transmission network. The RPS Calculator also allows for selecting FCDS resources in a manner that triggers transmission upgrades and assigns FCDS status only when including the upgrade is economical; otherwise, it assigns EO status. While considering any policy-driven transmission in the current planning cycle, we encourage the CAISO to look at upgrades to minimize ratepayer impact. This strategy for the current transmission plan will allow for more economically efficient outcome going forward in meeting the 50% RPS goal.

Despite our reservations about the whole process of approving deliverability additions to the grid that must be paid for by all CAISO ratepayers, it appears that the mitigation measures proposed for deficiencies in providing full capacity deliverability for the base portfolio are all likely to be justified based upon a full economic study as recommended above. This level of analysis includes the potential to recommend flow control devices if a rating increase for the Lugo-Victorville line is not feasible. We question whether a major expenditure would be justified

economically and request further information on the details and cost of the flow control devices if the rating increase is not acceptable. We also question the need for the installation of an SPS to mitigate loadings on the ECO-Miguel 500kV line, as the studies done by the CAISO do not indicate any overloads for the contingencies studied. And since there is a level of uncertainty in regards to the load forecasts, generation additions, and generation retirement, we would encourage the CAISO to only approve projects based on loadings above 100 percent. Furthermore, BAMx notes that some of these same loading issues were found in the reliability studies reported in the November 16th stakeholder meeting. We reiterate our desire to see these same low cost solutions be implemented to mitigate the potential overloads identified in those studies.

Congestion and Economic Assessments

The CAISO's presentation on the congestion studies was very informative. BAMx requests the CAISO to provide the limiting contingencies that are causing the most congestion for each one of the interfaces. The POE-Rio Oso circuit is an existing circuit and the topology around that area has not gone through any changes. What changes in the production cost model caused this interface to be identified as one of the top congested interfaces on the system?

In the past transmission planning cycles, the CAISO had identified Path 26 and Path 15 to be congested zones. The CAISO had considered several candidate mitigation measures to address congestion in these areas and found them not to be justified. BAMx supports performing similar assessments for the newly identified congestion areas of Exchequer and POE-Rio Oso.

Overview of the 50% Special Study

We are very encouraged to see the continued commitment of the CAISO to perform the 50% RPS Special Study. This study takes on added importance since the adoption of the 50% RPS goal. We are disappointed that there have been no reported results from the study at this time. We encourage the CAISO to place a high priority in completing the initial study, reporting initial results and accepting comments before the issuance of the 2015-16 draft transmission plan.

We hope the CAISO can also report on further progress soon with respect to the following studies undertaken under the 2015-16 TPP:

1. Continuation of frequency response study;
2. Gas/electric reliability in Southern California; and
3. Large scale energy storage study.

However, even if the above studies are not yet ripe for stakeholder review, we encourage the CAISO report on the 50% initial study and any results found to date.

Conclusion

BAMx appreciates the opportunity to comment on the 2015-16 Transmission Plan Stakeholder Meeting materials and acknowledges the significant effort of the CAISO staff to develop this material.

If you have any questions concerning these comments, please contact Joyce Kinnear (jkinnear@santaclaraca.gov or (408) 615-6656)