



Comments of North Gila Imperial Valley #2 on Proposed S-Line Upgrade

ITC Grid Development, LLC, and Southwest Transmission Partners, LLC have entered into a joint venture, North Gila Imperial Valley #2 (NGIV2), LLC, to develop the North Gila Imperial Valley (NGIV2) transmission line. NGIV2, LLC appreciates the opportunity to provide comments to the CAISO on the Imperial Irrigation District's S-Line Upgrade Project proposed for inclusion in the 2017-2018 Transmission Plan, which consists of an upgrade to double circuit of an existing 230 kilovolt (kV) single circuit line from the El Centro substation to the Imperial Valley substation.

As an initial matter, we are encouraged that the CAISO is including the economic benefits of Local Capacity Requirement (LCR) reductions in evaluating and recommending projects for approval in the Transmission Plan. We reiterate here the comments provided in previous planning cycles supporting the inclusion of LCR reductions in the evaluation of proposed projects and applaud the CAISO for taking the steps to do so here. We look forward to seeing the full range of economic benefits, including LCR reductions, evaluated for future transmission projects, including NGIV2.

On the recommendation of the S-Line upgrade for approval in the 2017-2018 transmission plan, we note that this upgrade has been proposed by the Imperial Irrigation District (IID) for nearly 15 years, and was documented in 2005 as a component of the Imperial Valley Study Group's phased approach to improve reliability for the IID Balancing Authority and increase outlet for renewable energy resources connected to the IID transmission system. We understand the need for and support the proposed S-Line Upgrade Project. However, comments previously provided by IID during the Western Electricity Coordinating Council (WECC) Path Rating Process for the NGIV2 transmission line indicated that the S-Line upgrade, along with other previously-approved IID projects included in the WECC base cases, is no longer needed. Based on these comments from IID, who is a member of the NGIV2 Project Review Group, the NGIV2 project sponsors are in the process of pursuing an increase in the Path 46 Accepted Rating without the S-Line upgrade in the study model. We have not been advised by IID that the S-Line upgrade is again part of the IID plans, and would request evidence of support for the upgrade to include in our Path 46 Phase 2 Rating Study. [As noted above, IID is a member of our Project Review Group.] Nevertheless, we are confident based on preliminary analysis that the two projects together would provide reliability, LCR and other economic benefits far in excess of those provided by the S-Line upgrade in isolation.

Loss of the existing North Gila to Imperial Valley line isolates the San Diego area from the 500kV system east of the Imperial Valley substation. The S-Line upgrade would temporarily relieve congestion, allowing San Diego Gas & Electric (SDG&E) increased access to resources



in the IID area. However, without the NGIV2 project, the S-Line is a temporary solution that alleviates only some of the congestion in this area. The combination of both projects would provide long-term reliability improvement, further increase the LCR benefits, and offer more complete congestion relief for the southern region.

The NGIV2 Project Review Group, Arizona Public Service (APS), SDG&E, CAISO, IID and others are actively reviewing the Study Plan and base cases as part of the Phase 2 analysis of the WECC Three Phase Path Rating Process. We expect to achieve a WECC Accepted Rating by the end of 2018. We are also coordinating closely with SDG&E to perform a series of joint studies of NGIV2 and SDG&E's proposed Renewable Energy Express Transmission Project (REX) to explore possible capital cost, operational, and system optimization synergies between the two projects that may result in an improved benefit/cost ratio.

In summary, addition of the NGIV2 project with the interconnection to the IID Highline 230kV substation improves reliability for the region, reduces LCR and renewable resource curtailments, and relieves congestion for a larger area and for a longer time than the S-Line upgrade alone. The NGIV2 project will also increase the Path 46 rating by an incremental 1,250 MW.

We thank the CAISO for the opportunity to submit these comments and we look forward to continuing work with the CAISO in coordination with the other Western Planning Regions on Interregional Transmission Projects such as NGIV2.