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**COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR'S
2019-2020 TRANSMISSION PLANNING PROCESS - PRELIMINARY RESULTS
NOVEMBER 18, 2019 PRESENTATIONS AND STAKEHOLDER MEETINGS**

December 2, 2019

Introduction

The Public Advocates Office is the state's independent consumer advocate with a mandate to obtain the lowest possible rates for utility services, consistent with reliable and safe service levels, and the state's environmental goals.

On September 25 and 26, 2019, the California Independent System Operator (CAISO) held a stakeholder meeting to present the preliminary study results of the 2019-2020 Transmission Planning Process (TPP). At that time, the Public Advocates Office submitted comments and recommended the CAISO not approve Pacific Gas and Electric Company's (PG&E) proposed Northern Oakland Area Reinforcement Project (NOARP).¹

On November 18, 2019, the CAISO held another 2019-2020 TPP stakeholder meeting. The Public Advocates Office also participated in this meeting and recommends that the CAISO not approve the Moraga 230 kilovolt (kV) Substation Bus Upgrade, which may be part of the NOARP. The reasons for our recommendation are provided below.

Recommendations for the CAISO Reliability Projects < \$50 Million

The CAISO Board should not approve the PG&E proposed Moraga 230 kV Bus Upgrade (Greater Bay Area) Project in the current TPP cycle.

The CAISO recommends approval of the Moraga 230 kV Substation Bus upgrade to mitigate the North American Electric Reliability (NERC) P2 contingency that may occur starting in 2021.² However, it is not clear whether the upgrade to the Moraga 230 kV Substation Bus is a stand-alone project or part of the whole NOARP. The scope of the NOARP may include an upgrade to the

¹ PG&E's 2019 Request Window Proposals, CAISO Stakeholder Meeting, September 26, 2019, pp. 33-61.

² P2 involves a single contingency in a normal system involving opening of a line section without a fault, bus section fault, internal breaker fault (non-bus-tie breaker), and internal breaker fault (bus-tie breaker).

Moraga 230 kV Substation Bus.³ If the project is part of the NOARP, the CAISO should not consider it separately. Stakeholders and the CAISO cannot effectively develop comprehensive solutions to the Northern Oakland area's reliability issues if projects, such as the Moraga 230 kV Substation Bus upgrade, are considered in a piecemeal approach. The CAISO should provide sufficient information on this proposed project so the CAISO Board and stakeholders can make informed decisions.

The Public Advocates Office also notes that PG&E did not provide any comprehensive alternatives to the Moraga 230 kV Bus Upgrade project. The Public Advocates Office recommends that the CAISO evaluate all transmission alternatives and preferred resources, including storage, demand response, and energy efficiency programs, before it considers spending \$17 to \$34 million of ratepayer funds for the PG&E's Moraga 230 kV Substation Bus Upgrade project.

Finally, the Public Advocates Office urges the CAISO to monitor load growth in the Northern Oakland area, and assess the robustness and cost-effectiveness of the Moraga 230 kV Substation Bus Upgrade project relative to other mitigation solutions. The CAISO already approved the Oakland Clean Energy Initiative project in the 2017-18 TPP (subsequently modified in the 2018-19 TPP) to address the near-term needs of the Northern Oakland area. In addition, the incremental upgrades proposed by PG&E under the NOARP are not expected to be built until at least by August 2024.⁴ Long-term reliability needs may change and render the Moraga 230 kV Substation Bus Upgrade project unnecessary.

Conclusion

The Public Advocates Office recommends that the CAISO should not approve the Moraga 230 kV Substation Bus Upgrade project until it is clarified that it is not part of the NOARP and other alternative solutions, such as storage, demand response and energy efficiency programs, are evaluated. If you have any questions regarding these comments, please contact Lina Khoury at Lina.Khoury@cpuc.ca.gov or 415-703-1739.

³ PG&E's 2019 Request Window Proposals, CAISO Stakeholder Meeting, September 26, 2019, pp. 33-61.

⁴ PG&E's 2019 Request Window Proposals, CAISO 2019-2020 Transmission Planning Process, September 26, 2019, slide 59 (http://www.caiso.com/Documents/Day2PG_EPresentation-2019-2020TransmissionPlanningProcessMeeting-Sep25-26-2019.pdf).