

DOCKETED

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Comments of the Modesto Irrigation District to RETI 2.0 September 10, 2015 Joint Workshop, Docket No. 15-RETI-02

Additional submitted attachment is included below.



September 24, 2015

Via e-Comment Portal

California Energy Commission
Docket Unit
Docket No. 15-RETI-02
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re: Docket No. 15-RETI-02 – MID Comments on the Renewable Energy Transmission Initiative 2.0

The Modesto Irrigation District (“MID”) appreciates the opportunity to offer comments in response to the September 10, 2015 Joint Agency Workshop held by the California Energy Commission (“CEC”) and the California Public Utilities Commission (“CPUC”) (collectively, “Commissions”) introducing the Renewable Energy Transmission Initiative (“RETI”) 2.0.

MID is an irrigation district, organized and operated under the laws of the State of California, which undertakes both electric and water operations. With regard to its electric operations, MID owns and operates facilities for the generation, transmission, distribution, purchase, and sale of electric power and energy at wholesale and retail. MID is a fully integrated, fully resourced utility.

MID applauds the Commissions’ decision proactively to explore means of meeting California’s extended climate change and renewables objectives, including but not limited to, SB 350. MID understands many facets of meeting these challenges, procuring wind resources that require wheeling over long-distance transmission facilities, as well as facilitating the development of local generation, including a 25 MW solar photovoltaic generating facility built within MID’s service territory to serve its customers.

MID also pays for use of transmission under the operational control of the California Independent System Operator Corporation (“ISO”), as well as for long-term transmission rights that are adjusted from time-to-time based on ISO rates. MID uses ISO-Controlled transmission to serve its own customers where it needs to procure energy in excess of that supplied through its own long-term procurements or from its own local resources or, in some cases, if the transmission that MID uses to bring home its long-term procurements is curtailed or if its owned or contracted-for energy resources experience outages.

As the Commissions are aware, ISO transmission is priced as a blended, single (i.e., “postage stamp”) rate, rolling in transmission costs from a broad geographic range of transmission development. These Wheeling Access Charges have essentially doubled over a recent five-year period. This increase is reflected, for example, in the Weighted Average High Voltage Wheeling Rates for “Multi-Participating Transmission Owner-Owned” Scheduling Points, which were, as of August 1, 2015, priced at \$9.7828/MWh.¹ Yet, the same rate effective March 1 – May 31, 2010 was \$4.8176/MWh.² The price of transmission has become an increasingly significant part of MID’s electricity costs.

A RETI process should be structured not to continue or accelerate transmission rate increases. During the workshop, several speakers, both from the dais and stakeholders, described the need to use existing infrastructure and rights-of-way to accomplish the goals of the RETI process. MID agrees with using means that are cost-effective and smart, including maximizing the value of existing equipment, to reach the state’s renewable goals. A RETI process should not encourage the siting of resources that requires the construction of expensive infrastructure, when less expensive means of meeting renewables goals are available.

MID looks forward to participating in this process, and thanks the Commissions for being willing to receive comments.

Respectfully yours,

/s/ James McFall

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¹ See ISO website at:

http://www.caiso.com/Documents/WheelingAccessRatesEffectiveAug1_2015_UpdatedAug10_2015.pdf (as Revised).

² See ISO website at:

http://www.caiso.com/Documents/RevisedWheelingAccessRatesEffectiveMar1_2010_RevisedFeb14_2011.pdf (as Revised).