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Pacific Gas and Electric Company Comments on RETI 2.0, Initial Plenary Group Workshop Held 12/18/15

Additional submitted attachment is included below.

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**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**California Energy Commission
Dockets Office, MS-4
Docket No. 15-RETI-02
1516 Ninth Street
Sacramento, CA 95814-5512Re: Docket 15-RETI-02: Pacific Gas and Electric Company Comments on the Renewable Energy Transmission Initiative 2.0 First Plenary Group Workshop 12/18/15**I. INTRODUCTION**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the December 18, 2015, workshop which was the first convening of the Plenary Group of the Renewable Energy Transmission Initiative (RETI) 2.0. PG&E commends the California Public Utilities Commission (CPUC), California Department of Natural Resources (DNR), California Energy Commission (CEC), and the California Independent System Operator (CAISO) for initiating this renewable energy transmission planning exercise and provides these comments to guide the scope and goals of the process. Below, PG&E provides both high level thoughts on the scope of RETI 2.0 as well as answers to questions posed during the workshop.

II. RETI 2.0 SHOULD ALIGN WITH, INFORM, AND ADDRESS KEY RENEWABLES AND TRANSMISSION QUESTIONS RAISED BY EXISTING REGULATORY PROCEEDINGS

PG&E offers the following high level comments on the scope of the RETI 2.0 process:

- As a non-regulatory planning process, ***RETI 2.0 should focus on how best to inform the inputs to existing regulatory proceedings***, such as the CPUC's Renewables Procurement Standard (RPS) Calculator and Long Term Procurement Plan (LTPP) proceedings and the CAISO's transmission planning processes (TPP). RETI 2.0 should view these proceedings as their "client" proceedings, with the purpose of the draft report to inform the inputs used in those other proceedings. This focus will avoid the risk of creating potentially duplicative portfolios that conflict with existing regulatory proceedings like those listed above.
- Rather than creating new metrics and scenarios, ***RETI 2.0 should align with the scenarios and metrics used in the other proceedings it will inform***. For example, RETI 2.0 can adopt

the metrics and scenarios developed for the 2016 LTPP, which define the RPS scenario assumptions and other relevant system metrics such as load forecasts. Specifically, **RETI 2.0 should not calculate overall portfolio costs**, but instead should simply adopt the portfolios used in other proceedings.

- PG&E recommends that **RETI 2.0 focus on addressing the key renewable energy and transmission issues that have emerged in the RPS Calculator, LTPP, TPP, and other relevant proceedings** towards meeting the 50% RPS requirement set forth in SB 350. Key issues RETI 2.0 may wish to address include:
 - *What are cost-effective pathways for developing out-of-state renewable energy resources, and associated transmission, to meet the 50% RPS goal? How might these pathways change if the CAISO footprint expands in the future?*
 - *How might the development of energy-only RPS resources affect the need for new transmission to meet the 50% RPS goal?*
- PG&E supports **RETI 2.0 looking to the legislatively mandated 50% RPS requirements as targets in transmission planning, but does not agree with using sector or entity-specific greenhouse gas (GHG) emission targets in RETI 2.0** as PG&E believes that neither AB 32 nor SB 350 directs the California Air Resources Board to establish sector-specific GHG emission reduction targets.¹

III. POST-PLenary GROUP WORKSHOP QUESTIONS AND ANSWERS:

A. Planning Goals:

1. *What are the right resource metrics and quantities for RETI 2.0 to plan toward?*

PG&E believes that RETI 2.0 should use the same resource metrics and quantities that are used in existing proceedings (e.g., RPS Calculator, LTPP, TPP). RETI 2.0 should plan for a 50% RPS statewide requirement as a core metric, although RETI 2.0 should use the existing resource portfolios used in the proceedings mentioned above rather than create potentially duplicative and conflicting portfolios. For example, the RPS Calculator proceeding is considering draft inputs from the LTPP proceeding to guide its scenario selection. By aligning the metrics and scenarios used in RETI 2.0 with those used in the regulatory planning proceedings, RETI 2.0 can best inform those other proceedings.

RETI 2.0 should not look to sector or entity-specific GHG emission targets in any transmission planning since PG&E believes that neither AB 32 nor SB 350 direct the state to establish sector-specific GHG emission reduction targets.

¹ PG&E Comments on SB 350 Integrated Resource Plan Targets, submitted to the California Air Resources Board January 11, 2016. Submitted along with these comments for convenient reference.

2. *What are the rest-of-the-system parameters that make a meaningful difference on these metrics?*

RETI 2.0 should defer to existing proceedings for adopting rest-of-the-system parameters that would make a difference in looking at renewable generation and transmission metrics. RETI 2.0 should look to the finalized 2015 IEPR for load forecasts, which will include input from stakeholders on impacts of distributed generation and energy efficiency to the forecasted load. In addition, RETI 2.0 should look to the 2016 LTPP scenarios to provide guidance as to which parameters are of key importance.

Additionally, RETI 2.0 should consider cost-effective pathways for developing out-of-state renewable energy resources to meet the 50% RPS goal. RETI 2.0 should use WECC-wide transmission information to guide its draft report. For example, the RPS Calculator proceeding has indicated that wind from Wyoming or New Mexico may be a cost effective resource towards meeting the 50% RPS goal, and the potential integration of PacifiCorp and other participating transmission owners (PTOs) into the CAISO may influence both renewable energy procurement and transmission planning. RETI 2.0 should explore potential transmission pathways to access out-of-state renewable resources, including scenarios using the existing CAISO footprint and an expanded CAISO.

RETI 2.0 should also consider examining how the development of energy-only RPS resources might affect the need for new transmission to meet the 50% RPS goal. The CPUC and the CAISO have been working collaboratively to develop the functionality in the RPS Calculator to weigh the economic tradeoff between the benefits of developing transmission for deliverability and reduced congestion versus the cost of new transmission. However, there are still significant analytical questions that remain and could be addressed in 2016 through the RETI 2.0 process. Regardless, RETI 2.0 should consider scenarios that include energy-only renewable energy development, as there are no legislative requirements that RPS resources must obtain deliverability. Since CAISO has not determined the reliability impact of connecting large amounts of out-of-state renewable energy, this effort should be closely collaborated with CAISO as CAISO is in the best position to determine the reliability impact and plan for transmission development.

Finally, RETI 2.0 should continue to delineate a land use classification for lands that are legally prohibited from renewable energy development (i.e., RETI Category 1 lands).

3. *What data sources or analyses should be included?*

As stated above, PG&E believes that RETI 2.0 should utilize data sources and analyses that focus on how best to inform the inputs to existing regulatory proceedings.

Regarding environmental and land data, RETI 2.0 should focus on existing state and federal environmental information in its analysis, and assure transparency with these state and federal data sets. RETI 2.0 should provide a list of all data sets, including their application and significance, in the individual environmental and transmission working groups. As an example,

if information from the California Department of Conservation, Division of Oil and Gas Resources data is going to be reviewed to identify oil and gas wells state wide, RETI 2.0 should identify that both renewable and transmission site development would be impacted.

RETI 2.0 should be cautioned against including lands identified by the recent Williamson Act legislation changes that allow for PV development because these lands may not be open for transmission and any associated facilities (i.e., substations).

PG&E believes that there are other data sets and analysis beyond that supplied by state and federal government that might be useful additions to the RETI 2.0 plan. These data sets might include the following: (1) existing or abandoned linear easements (rights-of-way), including but not limited to railroad easements; (2) existing pipeline right-of-ways (petroleum, gas, water); (3) other existing utilities transmission easements, such as fiber optic and telephone; and (4) city and county roadway easements. These existing easements could identify possible paths that may allow for expedited transmission or interconnection routes in some parts of the state.

As mentioned previously regarding transmission system capability information, RETI 2.0 should use existing WECC-wide transmission information to assess and evaluate the feasibility of accessing out-of-state generation. For in-state transmission system capabilities, in order to get a better picture of California electric transmission system capabilities, RETI 2.0 should look to the technical study work being performed by the CAISO on 50% RPS, frequency response and over-generation, as well as any other system studies or plans by other entities outside of the CAISO footprint. In addition, the efforts should include consideration of the finalized 2015 Integrated Energy Policy Report (IEPR) for load forecasts, which will include input from stakeholders on impacts of distributed energy resources to the forecasted load.

B. Resource Values:

1. How should we measure the system value and costs of individual resources?

PG&E believes that the appropriate scope for RETI 2.0 is to address the key issues related to transmission needs for a 50% RPS. Modeling additional resource needs beyond renewable energy and transmission is beyond the appropriate scope of RETI 2.0, duplicative of the upcoming integrated resource planning process, and may distract from answering the key transmission issues already identified. RETI 2.0 should not focus on measuring the system value and costs, as it should not be seeking to create new and potentially conflicting scenarios or portfolios. Instead, RETI 2.0 should focus on using the scenarios and portfolios used in other proceedings for transmission modeling purposes and seek to compile up to date environmental data to assist in vetting these portfolios.

2. How should we measure the system value of resource combinations?

RETI 2.0 should not be measuring the system value of resource combinations. Instead, RETI 2.0 should defer to the scenarios and portfolios created by existing proceedings such as the LTPP

and the TPP, which already consider system considerations such as transmission costs, over generation, and reliability issues.

3. How can we assemble conceptual resource combinations?

As stated previously in these comments, PG&E believes that the purpose of RETI 2.0 should be to inform existing proceedings such as the CPUC's RPS Calculator and the LTPP, and not to create its own separate renewable and transmission scenarios. As such, it should look to the resource combinations and scenarios set forth by those proceedings and use its planning process to provide valid and needed inputs into these existing proceedings, rather than assembling original conceptual resource combinations.

4. What are the best examples of assembling resource combinations?

The CPUC's RPS Calculator proceeding is the appropriate source for assembling RPS resource and associated transmission configurations. The CPUC's LTPP Scenarios matrix, the CAISO's 50% Special Study in the 2015-2016 TPP, and the CEC's 2015 IEPR all provide good examples of assembling resource combinations for the rest-of-the-system parameters.

IV. CONCLUSION

PG&E appreciates this opportunity to comment on RETI 2.0, and looks forward to working with the CEC, CPUC, CAISO and other stakeholders as this process progresses.

Sincerely,

/s/

Nathan Bengtsson