DOCKETED

Docket Number:	15-RETI-02
Project Title:	Renewable Energy Transmission Initiative 2.0
TN #:	210909
Document Title:	Modesto Irrigation District Comments to March 16, 2016 RETI 2.0 Plenary Group Meeting
Description:	N/A
Filer:	System
Organization:	Modesto Irrigation District
Submitter Role:	Public
Submission Date:	3/30/2016 3:32:49 PM
Docketed Date:	3/30/2016

Comment Received From: Sean Neal
Submitted On: 3/30/2016
Docket Number: 15-RETI-02

Modesto Irrigation District Comments to March 16, 2016 RETI 2.0 Plenary Group Meeting

Additional submitted attachment is included below.

March 30, 2016

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 in Response to the Renewable Energy Transmission Initiative 2.0 Plenary Group Meeting, March 16, 2016

The Modesto Irrigation District ("MID") appreciates the opportunity to offer comments in response to the March 16, 2016 Meeting held by the Plenary Group for the Renewable Energy Transmission Initiative ("RETI") 2.0 process.

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 has commented previously in this stakeholder process, both through oral comments at the meetings and conferences and through written comments.

In connection with the most recent Plenary Group meeting, MID asks that the RETI process examine the use and costs of existing trunklines or similar electric transmission facilities to ensure that they are factored into the costs of bringing remote, renewable resources, such as New Mexico or Wyoming wind, into California. In an effort to maximize the efficient utilization of existing transmission infrastructure, transmission to access renewable energy resources in the Rocky Mountain/Plains regions perhaps need only be built to an intermediary point, for example, to a an existing collection point in Utah, Arizona or Nevada. A determination as to whether or not existing transmission assets provide sufficient transfer capability to transmit the renewable energy generation the remainder of the way into California should be considered in the cost impact exploration process. The RETI process should consider the availability of such transmission, weighed against the costs and outcomes of not using such transmission should new transmission construction be chosen in lieu of using such facilities.

As MID explained at the March 16 Meeting, the existing renewable energy resource procurement process provides a lot of lessons learned and market sensitivities when it comes to obtaining resources that are cost effective and meet the needs of the electric utilities. One of the data inputs that exists and that can be used for the methodologies applied in the RETI process include using actual data points, such as from Requests for Offers ("RFOs") made public that specify prices requested for renewable energy resources. For example, the City of Riverside negotiated a 20-year power sale agreement with a supplier at a fixed price of $53.75/MWh in the summer of 2015[1]; this particular RFO for solar resources yielded a price lower than what appears to be included in cost assumptions for Power Purchase Agreements in the RETI process.[2] While any given RFO may not be successful in terms of the price ultimately agreed to for the resource, the RFO process does provide a real world indicator of the renewable resource marketplace supply and demand that can be utilized in a sensitivity analysis when comparing the projected levelized costs of renewable energy that are developed by the California Energy Commission and RETI 2.0 process against the price at which utilities are willing to acquire resources.

The RETI 2.0 process should also account for projects designed to address reliability issues. Reliability-driven projects are one class of projects that are part of the California Independent System Operator Corporation ("CAISO") Transmission Planning Process. The CAISO has also accounted for the use of reliability-driven projects in its Straw Proposal[3] as to Transmission Access Charge ("TAC") options under a regional grid operator footprint. Part of the CAISO's proposal would determine how the costs of regional projects that are driven by reliability needs are allocated across sub-regions.[4] While RETI 2.0 focuses on transmission necessary to reach resources needed to meet the state renewable energy goals, the anticipated construction of transmission for reliability needs may affect the boundaries of renewable energy zones identified in the RETI 2.0 process. Transmission constructed for reliability needs may also impact cost considerations, in that transmission may not be necessary to the same degree for policy or renewable energy needs if it is already being constructed for reliability needs. Such reliability-driven transmission may counsel in favor of alternative configurations for the transmission projects being discussed as part of the RETI 2.0 process.

Lastly, there appears to be no emphasis on the potential impacts from the deployment of energy storage technology. This is not a major part of the evaluative criteria that utilities use when evaluating renewable energy resources, but it could have a larger impact in the future as additional renewable energy resources are implemented.

---

[1] *See* Riverside Public Utilities, Board Memorandum, Item 7, "Power Sales Agreements Between Southern California Public Power Authority and the City of Riverside- sPower's Antelope DSR Solar Photovoltaic Project," June 19, 2015, found at: *https://riversideca.legistar.com/View.ashx?M=F&ID=3825038&GUID=64A7E365-99C6-49EF-A1D9-DEBCFC3373CB.*

[2] *See* Energy + Environmental Economics Presentation on "Identifying High Value Renewable Resources" at slide 7, referencing 2013 modeled PPA prices at $81/MWh: http://docketpublic.energy.ca.gov/PublicDocuments/15-RETI-02/TN210748_20160315T164857_Identifying_High_Value_Renewable_Resources__E3.pptx

[3] The CAISO's February 10, 2016 Straw Proposal ("Straw Proposal") can be found at: http://www.caiso.com/Documents/StrawProposal-TransmissionAccessChargeOptions.pdf

[4] *See* Straw Proposal at 15-16; *see also* "Transmission Access Charge Options – Benefits Assessment Methods" Presentation from March 9, 2016 CAISO Workshop at slide 6: http://www.caiso.com/Documents/AgendaandPresentation-TransmissionAccessChargeOptions-BenefitsMethodsWorkingGroup.pdf

MID looks forward to the continued development of this process, and thanks the Plenary Group for being willing to receive comments.

Respectfully yours,

__/s/ Martin Caballero_____

Martin Caballero
Interim Resource Planning and Development Manager
Modesto Irrigation District
1231 Eleventh Street
Modesto, CA 95352-4060
(209) 526-7590
Martin.Caballero@mid.org

__/s/ Sean Neal_____

Sean Neal
Duncan, Weinberg, Genzer & Pembroke, PC.
915 L Street, Suite 1410
Sacramento, CA 95814
915 L Street, Suite 1410
(916) 498-0121
smn@dwgp.com

Attorney for the
Modesto Irrigation District