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Additional submitted attachment is included below.



May 2, 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, April 18, 2016

The Modesto Irrigation District (“MID”) appreciates the opportunity to offer comments in response to the April 18, 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 prior comments MID has asked 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 resource into California. At the April 18 Plenary Group meeting, commenters raised a separate aspect of this issue, specifically that California policymakers and resource and transmission planners should look closely at the capacity that is made available as a consequence of coal plant retirements. Indeed, tapping renewable resources to available, unsubscribed, existing transmission capacity would be a cost-effective use of existing investment because it has the potential to reduce the cost impact of new transmission asset investment to California ratepayers as a whole.

In a similar vein, the Energy Imbalance Market (“EIM”) facilitated by the California Independent System Operator Corporation (“CAISO”) is designed to bring certain optimization benefits to a broader electric grid footprint. MID recommends that the RETI process report on whether and how the EIM affects the need for new transmission infrastructure investment. For

example, if the EIM operation of the real-time market across a footprint that includes and reaches beyond the CAISO offers more efficient use of transmission, the RETI process should ask whether those efficiencies reduce the need for new transmission construction. MID also suggests that, if EIM has no effect on the level of transmission required, due to the nature of the deliverability requirements of the CAISO or regulatory agency, the RETI process should question whether such deliverability requirements ought to be adjusted to take advantage of any efficiencies that EIM has to offer.

Lastly, MID understood from the conversation at the April 18 meeting that almost all resources analyzed in the RETI 2.0 process will be deemed to qualify as “Bucket One” under California’s Renewable Portfolio Standard (“RPS”) rules. If that assumption holds for purposes of the next steps of the RETI process, MID believes that for the benefit of California’s ratepayers, RETI should explore the following questions:

- How will the transmission planning process for California change, if at all, given that the preliminary list of transmission assessment focus areas appear to assume that the location of new generation will be in-state?
- To what degree will the maximum flexibility of the use of various Portfolio Content Category (“PCC”) Products, as defined in SB 350, be used in the assumptions to reach the 2030 goal? (i.e. will there also be assumptions made in this process as well as to how much PCC 2 and PCC 3 Products will be used to cost-effectively meet the statewide RPS goals?)
- Does the regional approach in transmission planning assume that all of the out-of-state renewable energy resources count as PCC 1 Products, and if so, what assumptions are being made as to how the out-of-state output qualifies under the existing SB 350 PCC1 description? (i.e. if the RETI 2.0 process is exploring remote resources in Wyoming and New Mexico, how are these resources going to be qualified in the PCC 1 “bucket” under existing California law, and what are the transmission implications of that assumption, including at the state intertie points?)

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

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