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CDWR Comments for RETI 2.0 Transmission Technical Input Group Meeting

Additional submitted attachment is included below.

California Department of Water Resources Comments On the Renewable Energy Transmission Initiative 2.0

June 23, 2016

The California Department of Water Resources (CDWR) appreciates the opportunity to provide comments on the June 9th workshop regarding the Transmission Technical Input Group's (TTIG) findings on the existing and planned transmission capacity with respect to the Renewable Energy Transmission Initiative 2.0 (RETI) effort.

CDWR commends the TTIG for providing their preliminary results to explore transmission infrastructure needed to achieve the State's clean energy and greenhouse gas emission reduction goals in a cost effective manner. CDWR believes that it is important for the stakeholders to see the data and assumptions used to develop these studies and how the results are derived. However, participation in TTIG is limited to only those entities that are registered at NERC as Transmission Planners and/or Planning Coordinators. CDWR would like to see more transparency in TTIG work and requests that parties that are not registered as a Transmission Planner or Planning Coordinator be allowed to participate in the process of developing studies and providing input.

TTIG developed estimates regarding the amount of additional generation that could be achieved either as Full Capacity Deliverability Status (FCDS), or as Energy-only (EO) resources on existing and planned transmission infrastructure. Capability estimates were based on a January 2016 cut-off date for new generation resources. The State's mandate requires agencies to target energy goals to reach 50% Renewable Portfolio Standard (RPS). For FCDS capability by transmission area in the California Independent System Operator (CAISO) footprint, the TTIG found that there is sufficient transmission capacity to meet 33% RPS, but not 50% RPS. TTIG also concludes there is sufficient transmission to accommodate beyond 33% RPS utilizing EO resources. If the 50% RPS target can potentially be reached with EO resources, the need for FCDS resources would not be a prudent option for California rate payers. CDWR requests that the TTIG also analyze a mix of EO and FCDS projects to come up with a most economical solution.

CDWR supports the RETI 2.0 efforts in identifying the transmission infrastructure that will be needed to achieve a 50% renewables target; however, CDWR recommends the RETI team to focus on exploring cost-effective in-state renewables, including those existing resources outside of CAISO's footprint, and account for existing CAISO mechanisms, such as the Energy Imbalance Market (EIM). Furthermore, CDWR encourages the RETI team to fully utilize existing transmission capacity when modeling future renewable generation energy injected into the grid. Building new transmission projects to allow renewable generators full capacity rights generally results in underutilization of existing transmission lines. Such underutilization could potentially drive up the CAISO High Voltage Transmission Access Charge (TAC) rate, which has rapidly increased over the last decade.

CAISO is performing a special study to consider the potential retirement of the gas-fired units as part of the 2016-2017 TPP. In addition, there is potential PG&E may retire Diablo Canyon in year 2025. CDWR would like to know if the TTIG has considered how much gas-fired capacity and other non-renewable resources would be retiring by 2030 or sooner and the level of capacity that may become available with

the retirement of these generators. CDWR believes that the TTIG should include in their studies all of the FCDS capacity that may be available once these non-renewable resources are retired.

Please contact Mike Ramsey at 916-574-0313 or mike.ramsey@water.ca.gov or Aseem Bhatia at 916-574-0674 or abhatia@water.ca.gov with any questions.