

DOCKETED

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PG&E Comments on RETI 2.0 Final Draft Report

Additional submitted attachment is included below.

January 10, 2017

**POSTED ELECTRONICALLY TO
DOCKET 15-RETI-02**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 January 3, 2017
Plenary Group Meeting for the Renewable Energy Transmission Initiative 2.0 Draft Report

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the Draft RETI 2.0 Plenary Report (Draft or Report) presented at the January 3, 2017 Workshop of the Renewable Energy Transmission Initiative (RETI) 2.0 Plenary Group, hosted by the California Energy Commission (CEC). PG&E's comments focus on the following areas of the current Draft:

- It should be explicitly stated that the Report's recommendations are non-binding and should be incorporated into the appropriate regulatory processes to ensure they do not conflict with or duplicate existing processes; and
- To avoid confusion, transmission projects presented in the Report should not be portrayed as "mitigation options."

PG&E recognizes the hard work of the RETI Staff to explore the challenges of constructing and transmitting the renewable energy resources needed to meet California's Renewable Portfolio Standard (RPS) and greenhouse gas (GHG) emission reduction goals in developing this Draft. We look forward to working with the State to incorporate any final recommendations into the existing RPS and transmission planning processes upon completion of the RETI process.

I. The Final Report Should be Clear That Recommendations are Non-Binding and Will be Evaluated in Existing Regulatory Processes

PG&E acknowledges and appreciates that Staff have caveated the Plenary Group's conclusions, acknowledging that the RETI 2.0 effort is "informational only" and does "not represent a regulatory decision or recommendation for new statutory obligations."

PG&E agrees with RETI Staff that the Draft's scenarios should be considered through the stakeholder-based regulatory processes in the California Public Utilities Commission's (CPUC) Integrated Resource Plan (IRP) and RPS proceedings and the California Independent System Operator's (CAISO) interregional coordination. However, the Report's scenarios should not be input directly into the Transmission Planning Process (TPP); given the Draft's scenarios are one of several sets of scenarios that should be evaluated. To include the Report's scenario directly in the TPP as anything other than a special study would circumvent the full regulatory planning process. The RPS and eventual IRP processes will

allow for the best determination of the least-cost portfolios to meet identified system generation needs, which can be delivered to the CAISO to study via the established “least-regrets transmission needs” paradigm. It is critical that the CPUC and the CAISO are able continue their coordination to incorporate energy-only RPS development into policy-driven transmission planning so the state can weigh the costs of transmission lines for deliverability versus the value of the resource adequacy it provides.

Consistent with the view that RETI should be an input to the regulatory planning process, but not be misconstrued or misrepresented as a final determination of any regulatory policy, PG&E notes that the assertion of renewable policy benefits for California may have cost-allocation implications if and when new transmission is considered and approved through the CAISO’s TPP or FERC Order 1000 interregional coordination. Where the same transmission may simultaneously provide reliability or economic benefits to customers inside and outside of the current CAISO balancing area, it will be in California energy customers’ best interests to see an equitable allocation of costs among all benefiting parties.

II. *Transmission Projects Presented in the Report Should Not be Portrayed as “Mitigation Options”*

PG&E does not agree with the characterization of transmission projects in the Report as “mitigation options.”¹ The term “mitigation” is misleading because it implies that a need has been determined through a formal regulatory process, such as a reliability need determined by the Transmission Planning Process. In contrast, the transmission options in RETI 2.0 are simply one set of alternatives to provide deliverability for future resource development. Accordingly, PG&E recommends that the term “mitigation options” be replaced in the report with a term such as “transmission options.” Phrases such as “mitigate these constraints” on page 6 and other mentions of “mitigation” throughout the Report should be changed in a similar manner.

III. *RFI Proposal Should be a Regional Effort*

It is unclear how an RFI effort as proposed in the draft will provide information beyond that already obtained through the Western Outreach Project’s examination of 12 specific out-of-state RPS and transmission projects. Additionally, if such an RFI is warranted, it should be undertaken by the Regional Transmission Expansion Planning (RTEP) initiative rather than a utility, CPUC, or CAISO process, since these are inherently regional proposals. Accordingly, PG&E recommends the Draft be modified to reflect, at a minimum, that the RFI would be conducted by under the aegis of the RTEP, or be eliminated.

IV. *Conclusion*

PG&E appreciates this opportunity to comment on the January 3rd Workshop for RETI 2.0 and looks forward to continued collaboration moving forward.

Sincerely,

/s/

Spencer Olinek

¹ http://docketpublic.energy.ca.gov/PublicDocuments/15-RETI-02/TN214835_20161216T110654_Renewable_Energy_Transmission_Initiative_20.pdf, pages 6 and 39.