

DOCKETED

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On NRDC on Renewable Energy Transmission Initiative 2.0 Plenary Report - Public Review Draft

Additional submitted attachment is included below.



January 10, 2017

Dockets Unit
California Energy Commission
Docket No. 15-RETI-02
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Sacramento, CA 95814-5512
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RE: Comments of NRDC on the Renewable Energy Transmission Initiative (RETI) 2.0 Plenary Report – Public Review Draft
Docket Number: 15-RETI-02

General Comments

NRDC submitted comments on January 10, in combination with other environmental organizations (The Nature Conservancy, Sierra Club, National Audubon Society, and defenders of Wildlife) regarding aspects of the RETI 2.0 draft report. These comments augment those NRDC comments and deal specifically with issues not addressed in those comments.

Strengths of the report: The RETI 2.0 work product enhances our understanding of both California and regional renewable energy integration and transmission expansion needs. NRDC is especially pleased with the regional outreach conducted by the Western Interstate Energy Board which garnered many key insights into regional coordination needs and available and proposed transmission solutions California can make use of to diversify and reduce the cost of meeting state policy goals. We congratulate the inter-agency team that coordinated and guided this project.

Weaknesses in need of attention: Some important shortcomings remain to be addressed when considering renewable energy and transmission issues in any planning forum including RETI 2.0. These include a lack of connection between planning time horizons and state policy goals that deemphasizes strategically located transmission projects for short term economic reasons while their longer term importance for state climate, renewable energy and economic development needs are not adequately considered.

Comments on San Joaquin Valley TAFE

An example of this disconnect is reflected in the recent ISO proposal to defer or cancel the Gates to Gregg transmission project despite its importance for the long term and orderly build out of renewable energy resources in the San Joaquin Valley. Economic analyses derived from 10 year planning horizons appear to disqualify a project that has great utility for developing one of the most promising solar development areas in the Western US, which is also an important transmission link to long term market

based exports of renewable energy to the Pacific Northwest. Such exports lower the cost of state-produced renewable generation by reducing the curtailment of these facilities. By reducing curtailment we believe that the state will ultimately be able to build more renewable energy in some of the most economically distressed communities in California. By providing low cost carbon-free energy to our neighbors transmission aids California in meeting mid-century climate change mitigation goals while benefitting utility customers across the entire West. Delaying transmission that allows for an orderly build-out of a renewable energy zone over a period of several decades is costly and self-defeating.

With regard to the San Joaquin Valley TAFE we note that the Gates-Gregg transmission solution is not mentioned and believe it should be. The project would establish one of the few new transmission rights of way in the state, and by incorporating design elements that would allow for a future capacity expansion – such as voltage upgrades and adding circuits to existing towers – would reduce future transmission costs in a critical corridor. This transmission is a critical capacity link between the Westlands solar development areas and eventually the Tracy area and would be a complement to proposals to upgrade the available transfer capacity on the California-Oregon Intertie. In addition, it avoids future congestion problems that would limit the full availability of the Helms pumped hydro storage facility, which is one of the few large scale electricity storage facilities in the West and crucially important to integrating variable renewable energy sources.

We note from the analysis in the report that without transmission enhancements in the Central Valley, only around half the San Joaquin Valley's 6,030 megawatts of approved renewable generation (not counting existing capacity) projects (3,131 MW) could be accommodated under an energy-only (non-deliverable) grid regime. Under full deliverability requirements only a third of these megawatts (1,823MW) could be accommodated on the existing system. We appreciate the conclusion that in the San Joaquin Valley TAFE "the development of HSR of 5,000 MW solar energy appears feasible but substantial new transmission investments are necessary" to allow its development.

These limitations make it highly likely that many development opportunities in this area will not proceed. Developers need some measure of reasonable certainty that their projects will be interconnected for them to receive financing. The failure to plan for the longer term, sustainable build out of a resource area that can provide up to 9 GW of capacity will cost California construction, operation and related commercial jobs, and prevent the development low-cost energy resources that could displace higher emitting generation both in California and beyond. Understanding this full potential requires a planning horizon greater than a single decade where temporary drops or spikes in energy demand can produce misleading results that delay the establishment of new rights of way and transmission infrastructure that itself can take a decade to plan, build and energize.

We urge that the final report note this shortcoming and include the Gates-Gregg line as an example of a transmission project that could unlock one of the most important renewable energy zones in the entire western U.S.

NRDC thanks you for the opportunity to comment on the draft and we look forward to working with you on the recommendations in the final report.

Respectfully submitted,



Carl Zichella

Director of Western Transmission, NRDC