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Docket Number:	16-RGO-01
Project Title:	Regional Grid Operator and Governance
TN #:	212586
Document Title:	SouthWestern Power Group Comments: July 26, 2016 Joint State Agency Workshop on Proposed Regionalization
Description:	N/A
Filer:	System
Organization:	SouthWestern Power Group
Submitter Role:	Public
Submission Date:	8/2/2016 3:22:35 PM
Docketed Date:	8/2/2016

Comment Received From: SouthWestern Power Group

Submitted On: 8/2/2016

Docket Number: 16-RGO-01

July 26 2016 Joint State Agency Workshop on Proposed Regionalization

Additional submitted attachment is included below.

To: California Energy Commission, California Public Utilities Commission, California Independent System Operator
Docket No. 16-RGO-01
July 26, 2016 Joint State Agency Workshop on Proposed Regionalization

From: David Getts, SouthWestern Power Group

Date: August 2, 2016

SouthWestern Power Group (SWPG) is an independent developer of utility-scale generation and transmission in the Desert Southwest. SWPG is developing a 515 mile, 500 kV interstate transmission project, known as SunZia that will be capable of delivering up to 4,500 MW of renewable energy to AZ, NM, and CA markets. SunZia has obtained a WECC 3-phase rating of 3,000 MW based on 2 x 500kV AC lines.

SWPG appreciates the opportunity to provide final comments on the SB350 study and regionalization. Since the final presentation at the CAISO, additional data has been released detailing the study assumptions. While this data appears accurate enough for the purposes of the SB 350 study, SWPG encourages the three agencies going forward to use their own established data and not rely on SB 350 data without additional verification for future proceedings.

SWPG notes that the transmission cost assumptions used in the SB 350 study appear exaggerated for SunZia transfer capacity.¹ Rather than the posted costs, SWPG estimates that for 1,500 MW of SunZia transfer capacity (i.e., the first AC line), the expected total cost of a single 500kV AC line and substations is approximately \$1 billion. The expected total cost includes an allowance for limited network upgrades to enable 1,500 MW of ATC between Pinal Central and Palo Verde (eastbound). It should be noted that Pinal Central is an existing substation that interconnects with a number of 500kV and 230kV transmission lines (with more planned), as part of the existing metro-Phoenix transmission network. Thus, there are existing multiple paths for transmission service between Pinal Central and Palo Verde.

It is unlikely that this is the only discrepancy between SB 350 data and other, more refined data available. Therefore it will be imperative for the purposes of planning and authorization that the agencies develop accurate and verifiable databases.

1

https://s3.amazonaws.com/sb350datarelease/Energy%2BEnvironmental+Economics/E3_Renewable+Portfolios+for+CAISO+SB+350+Study+-+Inputs+and+Results.xlsx (Transmission cost tab)