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BAMx Comments on the Joint Agency Workshop on Energy Reliability in Southern California

Additional submitted attachment is included below.

Bay Area Municipal Transmission Group's Comments on the Joint Agency Workshop on Energy Reliability in Southern California (17-IEPR-11)

June 5, 2017

The Bay Area Municipal Transmission Group¹ (BAMx) appreciates the opportunity to comment on the Joint Agency Workshop on Energy Reliability in Southern California held on May 22, 2017.

Vision Beyond 2020

Southern California is experiencing a major shift in its energy infrastructure due to both planned and unplanned events. California's energy agencies along with air and water boards have worked with a high level of coordination to develop a plan for maintaining the reliability of the state's energy system while advancing the state's environmental objectives. A major milestone in this plan is the achievement of the State Water Resources Control Board's implementation of the Federal Clean Water Act §316(b) regulations on cooling water intake structures.² As such, the focus has been on the plan for achievement of the 2017 and 2020 compliance dates for southern California Once Through Cooling (OTC) power plants. As these issues were addressed, the Aliso Canyon accident occurred and emergency measures were taken to reduce the need for gas fired generation in Southern California. The May 22 workshop focused on the implementation of the plan and the potential need to trigger short-term mitigation measures due to schedule delays.

However, as the implementation of the plan for 2020 comes into place, BAMx encourages the agencies to maintain the current high level of coordination in developing the plan for beyond 2020 that integrates concerns about the impact of Aliso Canyon on gas fired generation in Southern California. As part of its 2013-14 and 2014-15 Transmission Planning Processes the CAISO investigated alternatives that would increase the electric import capability to San Diego beyond the current plan. All the identified alternatives were very costly and subject to many environmental uncertainties.³ Specifically, BAMx recommends that the agencies:

- 1. Maintain a focused effort and collaboration on the Southern California reliability issues**

As Southern California still faces many planning uncertainties in maintaining reliability while both achieving California's environmental goals and providing such electric service at reasonable costs to consumers, special focus needs to be maintained on this area.

¹ BAMx consists of City of Palo Alto Utilities, and the City of Santa Clara's Silicon Valley Power.

² http://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/

³ http://www.caiso.com/Documents/Presentation-PreliminaryReliabilityAssessmentResults-Sep26_2013.pdf
http://www.caiso.com/Documents/Presentation-ImperialCountyTransmissionConsultationOct8_2014.pdf

Conceptually, the foundation could transition from the IEPR process to the CPUC Integrated Resource Planning Process.

2. **Consider increased targets for Preferred Resources**

In the August 2016 workshop, the scenarios presented using the LCAAT tool showed varying risks in maintaining local reliability following the retirement of the OTC generators in 2020. In this May 22 workshop SCE and SDG&E described having procured the Preferred resources for 2020, though the deployment may be lagging the original schedule. This highlights that there is a local supply market for such resources, though updated implementation timelines need to be incorporated into the planning process. As further transmission upgrades are costly with large, lumpy increments and long implementation timelines, the agencies should consider whether increased procurement of Preferred Resources would provide prudent margins for the planning uncertainties and system needs, certainly for dates beyond 2020 but potentially also to cover the uncertainties due to project delays.

3. **Maintain and Update the Local Capacity Annual Assessment Tool (LCAAT)**

While the LCAAT tool's original objective of providing an early warning of the need to trigger short-term mitigation measures in implementing the 2020 plan will soon be met, this tool serves as a valuable visual tool in understanding the ability to maintain the local electric reliability in the face of planning uncertainties. Given the low post-2020 margins shown by the LCAAT model in the August workshop, such a visual presentation is a useful communication tool. BAMx also requests the agencies continue to maintain the tool. Also, the LCAAT model should be updated to incorporate the latest information available including the most recent 2016 IEPR Update load forecast information to illustrate the most current view of the Southern California long-term reliability margins.

Thank you for the opportunity to comment and we look forward to continued public stakeholder participation.

If you have any questions concerning these comments, please contact Kathleen Hughes (khughes@SantaClaraCA.gov or (408) 615-6656)