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August 9, 2016

Commissioner J. Andrew McAllister, Ph.D.
California Energy Commission
1516 Ninth Street, MS-34
Sacramento, CA 95814-5512

Re: Petition to Amend the Huntington Beach Energy Project
Docket N. 12-AFC-02C

Dear Commissioner McAllister:

I am responding to your letter of July 20, 2016, to Steve Berberich regarding the challenges of maintain grid stability in light of increasing amounts of renewable generation on line, and the potential for synchronous condenser capabilities (via the installation of clutches and related control equipment) in new combustion turbines generation projects to play a role in meeting those challenges.

As you correctly noted, in the ISO's letter of November 23, 2015, to Michael Picker, President of the California Public Utilities Commission, we suggested that the PUC should consider making clutches a default option in procurement decisions related to new combustion turbine generation projects to help meet those challenges. Providing these capabilities in new combustion turbines can be a low cost solution to providing future dynamic reactive power needs without having to run carbon-emitting generators at minimum load.

You correctly noted that our 2015-2016 Transmission Plan found the synchronous condensers already approved for the LA Basin and San Diego area provide sufficient dynamic reactive support for the area and we are not aware of any new information that would lead to a different conclusion. Nonetheless, the Huntington Beach Energy Project is a major infrastructure investment that will likely have an economic useful life well beyond the 10-year planning horizon of our transmission studies. Given this, it is important to consider the increased uncertainty we face both in the range of operating conditions the system will need to manage in the future, and the wide range of uncertainties as to the type and characteristics of future renewable generation. In considering this longer view, we believe there is merit to having the clutch capability at the HBEP as a prudent hedge for future uncertainty, and to assist in minimizing gas consumption – and the corresponding GHG and criteria pollutant

emissions – at times where the synchronous condenser capabilities would suffice in meeting local reliability needs.

Alternatively and at a minimum, the HBEP should be designed such that it could easily accommodate a clutch installation in the future should the need arise.

In the near term, however, the recommendations and discussion in our 2015-2016 Transmission Plan remain valid today – that we have sufficient reactive power support projects moving forward in the area, coupled with the approved generation procurement and local transmission reinforcements to maintain adequate voltage stability on a forecast basis over the current planning horizon.

Thank you for reaching out on this issue, and please advise if I can be of further assistance.

Sincerely,

Neil Millar
Executive Director, Infrastructure Development

NM/ds

cc: Steve Berberich
Keith E. Casey, Ph.D.