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Bay Area Municipal Transmission Group Comments on the Renewable Energy Transmission Initiative 2.0 Transmission Technical Input Group

See attached document

Additional submitted attachment is included below.

Bay Area Municipal Transmission Group's Comments on the Renewable Energy Transmission Initiative 2.0 Transmission Technical Input Group

February 4, 2016

The Bay Area Municipal Transmission Group¹ (BAMx) appreciates the opportunity to comment on the Renewable Energy Transmission Initiative 2.0 (RETI 2.0) Transmission Technical Input Group (TTIG) presentations that were made at a California Energy Commission (CEC) and California Public Utilities Commission (CPUC) Joint Workshop on January 22, 2016.

BAMx Responses to TTIG Questions

Below BAMx provides its responses and comments on the questions that were posed by TTIG during the January 22nd workshop.

1. Is the information presented today (January 22, 2016) the type of information needed to inform the RETI 2.0 Process?

Yes. BAMx found the information presented during the January 22nd workshop to be very helpful. We found the CAISO presentation on its Transmission Planning Process (TPP) describing the 50% Renewable "Energy Only" Special Study to be particularly enlightening.

2. What other information and sources of information should the TTIG turn to?

One of the key inputs TTIG will be providing to the RETI 2.0 Plenary group is the planning level transmission cost estimates. For the In-State transmission projects, BAMx encourages TTIG to primarily rely on the CAISO's TPP as well as the CPUC's RPS calculator, so as to utilize consistent and existing data to the greatest extent possible. For the Out-of-State (OOS) transmission, one source is the transmission project assumptions in the 2024 Common Case Transmission Assumptions (CCTA) assumed in the WECC Integrated Transmission and Resource Assessment.² BAMx believes that the 10-Year Production Cost Model studies performed by WECC have a wealth of information that TTIG could draw upon in analyzing the

BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, Port of Oakland, and the City of Santa Clara's Silicon Valley Power.

² WECC, Summary of 2015 Planning Analyses, pp. 8-9, System Adequacy Planning Department, January, 2016

potential congestion and economic impact of some of the OOS candidate transmission projects.³ It is critical that RETI 2.0 does not purely rely on the capital cost estimates proposed by transmission project developers, but rather scrutinizes those cost estimates on common grounds to the extent possible based upon per-unit cost estimates as they are currently developed by the Participating Transmission Owners (PTOs) in the CAISO Balancing Authority Area (BAA).⁴ During the January 22nd workshop, several transmission project developers presented their OOS transmission projects, where some provided high-level capital cost estimates. It is important that TTIG understands the underlying data and breakdown of those cost estimates rather than accepting them as given. This level of detail and understanding should enable the Stakeholders to compare and contrast between the OOS transmission projects and also consider them as alternatives to the In-State transmission projects.

During the January 22nd workshop, multiple presentations were made by several transmission project developers on their projects to access OOS renewable resources, presumably with the intent of seeking California ratepayer funding for the transmission. Prior to evaluating new transmission, BAMx believes there needs to be better understanding among the policymakers and stakeholders, regarding the level of OOS renewable resources that can be imported on the **existing** transmission infrastructure. Such an assessment would involve potentially "repurposing" the existing transmission. One such example would be the Intermountain DC Intertie, an HVDC line owned and operated by the Los Angeles Department of Water and Power (LADWP), which can potentially be used to import OOS renewable resources once the Intermountain coal-fired power plant retires. This same concept could also apply to other retiring coal plants elsewhere in the Western Interconnect. CPUC Commissioner Florio has indicated identifying such reuse or repurpose of the existing transmission as one of the major priorities for the RETI 2.0 efforts.⁵

3. What relevant information can you provide?

BAMx strongly believes that RETI 2.0 should carefully complement the planning efforts that are already underway rather than duplicating those efforts. One of the most important efforts includes the CPUC Energy Division's revised version of the RPS Calculator model, which, for the first time, performs an assessment to determine whether the transmission needed to satisfy

³ Ibid, and WECC Reliability Planning Presentation, Byron Woertz, Manager—System Adequacy Planning, RETI 2.0 Workshop, January 22, 2016.

⁴ See <u>Participating transmission owner per unit costs</u>.

⁵ Commissioner Florio during the September 10, 2015 RETI workshop.

the strict deliverability criteria for those generators seeking capacity credit is economically justified. This version of the RPS calculator was used to developed the portfolios in the CAISO's 50% Renewable "Energy Only" Special Study. The Special Study results shared by the CAISO during the January 22nd workshop provide stakeholders and policymakers with very helpful guidance regarding the lack of need for new major transmission to meet the 50% RPS goal. In particular, it demonstrates that nearly 26,000MW of In-State resources can be accommodated on the existing transmission, which significantly exceeds the maximum of 15,000 MW of incremental renewables needed in the CAISO balancing authority area to transition from 33% to a 50% RPS goal. Although the CAISO's production cost simulations analysis showed a certain amount of reliability overloads and renewable curtailments, the CAISO found, in general, that the "transmission capability estimates for the all the zones appear to be reasonable for developing future portfolios for additional transmission studies."⁶ The CAISO has offered very specific refinements regarding how future analysis that assumes the Energy Only resources to meet the transition from 33% to a 50% RPS goal should be conducted.⁷ The CAISO has also identified the impact of export limits on the amount of renewable curtailment, which, according to the CAISO, are a result over-supply of renewable resources rather than transmission constraints.⁸

We strongly encourage RETI TTIG to incorporate the findings of the CAISO's 2015-16 TPP Special study in its two major deliverables towards RETI 2.0: (a) Characterize existing transmission system capacity and planned improvements/changes and their implications for accessing additional renewable resources; and (b) Provide initial transmission input on likely In-State development necessary to access potential renewable generation and refine the data as combinations of renewable resources are developed through other RETI groups' activities. Furthermore, once TTIG assimilates the information provided by the CAISO's 2015-16 TPP Special study, we encourage TTIG to go one step beyond to develop congestion cost curves showing the congestion costs for different levels of renewable generation development in each area within the State. Such an exercise would allow stakeholders to quantitatively track existing congestion patterns and the need for future policy or economic transmission.

⁶ California ISO Presentation, slide #13, RETI 2.0 workshop, January 22, 2016.

⁷ Ibid.

⁸ California ISO Presentation, slide #11, RETI 2.0 workshop, January 22, 2016.

4. How does your proposal support/improve renewable integration in California and across the West?

No comments at this time.

Thank you for the opportunity to comment.

If you have any questions concerning these comments, please contact Joyce Kinnear (jkinnear@santaclaraca.gov or (408) 615-6656).