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IID Comments on the June 9, 2016 workshop

Additional submitted attachment is included below.

IID comments on June 9, 2016 CEC workshop on RETI 2.0 Submitted by the Imperial Irrigation District

Imperial Irrigation District (IID) appreciates the opportunity to provide these comments to the June 9, 2016 CEC workshop on RETI 2.0. It is clear that a significant amount of effort has gone in to this initiative to date.

There are two existing interties between CAISO and IID systems that provide the needed bridges between these two energy producing and energy consuming areas. These bridges also provide efficient and effective pathways that can enable California to achieve a significant percentage of its renewable energy goals at a cost that is significantly lower than the cost associated with projects that would interconnect directly into the CAISO grid. IID serves 99% of Imperial county and a sizable portion of southern Riverside county.

IID has some observations regarding the RETI 2.0 process and some suggestions that may provide additional clarity. These suggestions were driven primarily from the experience IID had in helping the state achieve its 33% RPS goals. There were many accomplishments made and few "lessons learned".

The previous renewables zones or CREZs had unintended consequences primarily from the lack of well-defined boundaries. The previously defined Imperial CREZ was intended to be all of the Imperial county. The IID's BAA accounts for 98 percent of the entire area in the Imperial CREZ. Only 2 percent of the Imperial CREZ lies within the CAISO BAA. In fact, over 1,200 MW of wind and solar are under PPA with the IOUs that directly connect to the existing CAISO facilities (Imperial Valley Substation) in the Imperial CREZ. On the other hand, only 200 MW of solar projects have connected to the IID BAA and exporting to CAISO.

Given that IID has ample available transmission capacity to allow significant additional amount of renewable generation to reach the CAISO BAA and the transmission cost of this available capacity is the lowest in California at \$3/MWh as compared to \$11/MWh, both these facts did not provide the right incentives to utilize IID existing transmission capacity. IID believes the lack of clearly defined Imperial CREZ was one of the main reason which created ambiguity among the developers and the IOUs. The source of ambiguity is that Imperial CREZ contains both ISO & IID BAAs and the interconnection and commercial rules are different between the two BAAs. This left many developers confused and most elected to connect to CAISO. This is not the best outcome for California ratepayers as new transmission and substations were constructed in lieu of using existing and more cost effective IID transmission capacity. Unfortunately, IID sees the same issue with the current definition under RETI 2.0 where the "Greater Imperial area" replaces the "Imperial CREZ" with no clarity in defining the boundary. To this end, IID strongly encourages RETI to revise and clarify the Greater Imperial area. IID provides the following suggestions:

- A. The Greater Imperial area should be specified as the IID Balancing Authority Area which is well defined and certified by NERC.
- B. The two facilities (the existing Imperial Valley and the newly constructed Ocotillo substations) should be part of the San Diego area connecting to the CAISO BAA.
- C. IID appreciates a clear distinction made between the IID balancing authority area versus Imperial Valley with respect to geothermal located at or near the Salton Sea in the presentations at the May 2 workshop. However, this distinction will be lost unless the Greater Imperial is defined as the IID BAA.
- D. Although, the CPUC has acknowledged in their recent RPS order the positive impact renewable development have on the socioeconomics of an impoverished area such as Imperial Valley, and have outlined a weighted factor in a determination of the valuation of renewables, defining the Greater Imperial will go a long way to implement the CPUC Order as intended.
- E. There is concern on the part of IID that discussions regarding limitation on imports into California are specific to limitations on imports to the CAISO system, although not all systems within California are within the CAISO footprint. There are separate and distinct balancing authority areas in California and the inclusion of information regarding the different BAAs would be helpful. To date, it appears the discussion is CAISO-centric. IID would like to see more focus on California as a whole and not merely the CAISO footprint.
- F. IID has previously expressed concern with respect to the CAISO using potentially stale information regarding IID's transmission system and how that may impact the outcome of the analysis. For instance, CAISO has assigned Full Capacity Deliverability Status (FCDS) to generators in the Greater Imperial which is based on old and stale IID information. Updated IID information were given to CAISO in 2015. It's critical that FCDS is calculated based on the latest information CAISO receives from its neighboring BAAs. IID request that this information is adjusted to reflect the appropriate IID transmission system changes. Significant decisions will be made based upon the studies irrespective of the timeline, it should be important that the most accurate information be used.
- G. Additionally, IID recommends the resurrection of the California Transmission Planning Group (CTPG). IID is certainly willing to participate as an active member of CTPG. Alternatively, IID is prepared to commit the resources necessary to ensure that studies produce results that encompass the entire state of California.