

DOCKETED

Docket Number:	12-AFC-02C
Project Title:	Huntington Beach Energy Project - Compliance
TN #:	212382
Document Title:	Letter from Presiding Member to California Independent System Operator President welcoming CAISO comments
Description:	Letter dated July 20, 2016
Filer:	Darlene Burgess
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	7/21/2016 2:13:15 PM
Docketed Date:	7/21/2016

CALIFORNIA ENERGY COMMISSION

COMMISSIONER JOSEPH ANDREW McALLISTER, PH.D.

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July 20, 2016

Steve Berberich
President and CEO
California Independent System Operator
PO Box 639014
Folsom, CA 95763-9014

Re: Petition to Amend the Huntington Beach Energy Project
Docket No. 12-AFC-02C

Dear Mr. Berberich:

The California Energy Commission (Energy Commission) received your letter dated November 23, 2015, addressed to Michael Picker, President of the California Public Utilities Commission (PUC). In that letter, you outlined the challenges in maintaining grid stability in light of the increasing amounts of renewable energy coming on line. The specific challenge concerned the ability of renewables to provide reactive power and inertia. The letter then requested that the PUC consider clutches in procurement decisions related to new combustion turbine generation projects. The Energy Commission Chair and Commissioners were cc'd on the letter.

As you may know, I am the Presiding Member on the Committee appointed by the Energy Commission to oversee the proceeding of the proposed amendments to the Huntington Beach Energy Project (Amended HBEP). The proposed amendments include 644 megawatts (MW) of combined-cycle generation for which the PUC has approved the terms of a power purchase agreement between Southern California Edison and the project owner. The project also includes 200 MW of simple-cycle generation for which there has not been a procurement decision. Synchronous condenser capability is not included in either the certified Huntington Beach Energy Project or in the proposed amendments.

At present, the Amended HBEP is still in the preliminary stages of review analysis by Energy Commission staff. The Preliminary Staff Assessment (PSA), addressing the technical aspects and potential environmental impacts of the construction and operation of the proposed project, was published on June 24, 2016. As part of the environmental assessment, the Energy Commission must consider alternatives to the project.

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The California Independent System Operator (CAISO) may be able to assist the Energy Commission by providing comments on the PSA, specifically as it relates to the project alternatives discussed in the Alternatives section of the PSA.¹ For the Southern California Bulk Transmission System Assessment (which includes the Huntington Beach area), the CAISO Board of Governors approved 2015-2016 Transmission Plan states, “The synchronous condensers already approved and proceeding in the Orange County and northern San Diego areas for the long term provide sufficient long-term dynamic reactive supports for the area, particularly when the OTC generating units are retired in the LA Basin and San Diego areas. Coupled with lower demand forecast, the post-transient voltage instability concern is no longer a primary concern as long as the AAE² projection materializes as forecast.”³ The 2015-2016 Transmission Plan does not make any recommendations regarding reactive power in the SCE Local Areas Assessment for the Los Angeles Metro Area.⁴ Since the 2015-2016 Transmission Plan was approved by the CAISO Board of Governors, has any new information emerged that would change these determinations as they relate to the issue of synchronous condenser capability at the Amended HBEP?

The CAISO has unique expertise and insight on these questions, which are particularly relevant for a likely future system in which natural gas plays a reduced supply role, with that of renewables commensurately increased. The Energy Commission welcomes your comments on the PSA, or at another public hearing or comment opportunity.

Sincerely,

ORIGINAL SIGNED BY:

J. Andrew McAllister, Ph.D.
Commissioner and Presiding Member
Huntington Beach Energy Project
Amendment Committee

¹ California Energy Commission. Preliminary Staff Assessment for the Petition to Amend the Huntington Beach Energy Project Decision. http://docketpublic.energy.ca.gov/PublicDocuments/12-AFC-02C/TN211973_20160624T152748_Preliminary_Staff_Assessment.pdf. pp. 6-1 – 6-16.

² Additional achievable energy efficiency.

³ California Independent System Operator Corporation. Board-Approved 2015-2016 Transmission Plan. March 28, 2016. p. 107.

⁴ Ibid. pp. 132-133.