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**21-SIT-01 SB100 June 2 Workshop Public Comments from  
Southwestern Power Group**

*Additional submitted attachment is included below.*

June 22, 2021

RE: SB 100 Implementation Planning for SB100 Resource Build # 21-SIT-01 June 2 Workshop  
Public Comments from Southwestern Power Group.

**To the California Energy Commission (CEC), California Public Utilities Commission (CPUC), and California Air Resources Board (CARB)**

Southwestern Power Group II, LLC (“SWPG”) is an independent developer of utility-scale generation and transmission projects in the southwestern US and is developing the SunZia Transmission Project to deliver high-quality New Mexico wind energy to California and neighboring southwest states. We are pleased to present these comments to the agencies following the SB100 Next Steps workshop of June 2, 2021 (“Workshop”). SWPG appreciates the tremendous amount of work the agencies have accomplished in this study effort’s short timeline. We offer the following insights based on the discussions at the Workshop and other regulatory activities underway in California.

**CAISO Grid Enhancements Are Critical to Ensuring SB100 Goals and Should be Authorized**

SWPG finds it critical that the CAISO begin to approve transmission upgrades to support the buildout of critical clean resources in California, as well as the import of those renewables beneficial to California’s goals. At the Workshop, a main point of discussion was exploring how transmission is necessary to support renewable buildout. The CAISO indicated that we are at an inflection point where the pace of transmission buildout needs to increase. The CAISO also mentioned that solar and storage are not sufficient to meet clean energy and reliability needs. SCE,

CalWEA, CEERT, Environment California, ACP-CA, and TNC all also spoke of the importance of transmission infrastructure in supporting SB100 goals.

The CAISO also discussed its 20-year study and how that study can aid the SB100 resource buildout. SWPG is pleased that the CAISO is conducting this study and believes the 20-year study can inform the CAISO's 2021 – 22 TPP. The CAISO indicated that the 20-year study will be less structured than its regular TPP and that the CAISO will not be recommending projects from it.<sup>1</sup> However, the CAISO could potentially use findings of the 20-year study to inform its choice of what projects to nominate for approval as part of the 10-year 2021-22 TPP. That is, the constraints that appear on the system as part of the 10-year regular TPP and are also implicated as necessary in the 20-year study should no longer be delayed if resolving those constraints can enable further interconnection or delivery of renewable resources in accordance with the SB100 goals.

As the infrastructure improvements are identified, the increased transmission capabilities should be included as RESOLVE inputs for both IRP and any subsequent SB100 analysis. Doing so will ensure that future findings will recognize the enhanced grid capabilities.

### **CAISO Should Similarly Increase the Maximum Import Capability (MIC) for Beneficial Clean Imports**

The ability for California to import out of state clean wind energy with profiles complementary to California's predominantly solar profile is critical. Without transmission upgrades and MIC policy changes, California load-serving entities (LSEs) will not be credited with the RA value of those imports. The CAISO recently indicated in its IRP reliability procurement proposed decision reply comments that it conducts policy-driven transmission studies mapped collaboratively by the CPUC, CAISO, and CEC, and based on CPUC portfolios. The CAISO

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<sup>1</sup> Workshop morning slide deck slides 39 and 40.

implied that such resources will be deliverable based on the currently planned transmission system. The CAISO also indicated in those comments that to the extent LSEs are seeking resources that have not been incorporated into the CPUC portfolios, clarity – presumably regarding what the additional resources are - should be provided by the CPUC as early as possible to allow the CAISO to incorporate those changes into its transmission planning process expeditiously.<sup>2</sup>

The SB100 cases call for up to 12GW of New Mexico and Wyoming wind energy. SWPG's wind development partner Pattern Energy is already delivering New Mexico wind to California LSEs – wind that continued to generate well into the blackout period of last year's August heat events, when much of California's solar and wind resources were producing at very diminished levels<sup>3</sup>. SWPG and Pattern are developing additional New Mexico wind resources for delivery to CAISO-based LSEs but are challenged by the insufficient CAISO MIC at the interties, largely because commercially ready and sometimes contracted resources are not being included in the TPP portfolios transferred to the CAISO for planning. When these resources are not included in the TPP portfolios CAISO's MIC allocation procedure relies entirely on historical import flows and therefore MIC would not be increased to accommodate a new resource until the year after the energy flows from the new resource are observed. This MIC timing mismatch is a barrier to procurement of new import resources for LSEs who need to receive capacity credit for such resources, and this barrier hinders achievement of California's carbon and reliability goals.

This problem can be remedied in this current planning year with a couple simple changes. First, the CAISO will study high levels of beneficial out-of-state wind imports as part of its 20-year study. Upgrades that are required and implicated by either the 20-year study or the 10-year

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<sup>2</sup> CAISO reply comments to CPUC Mid Term Reliability Procurement Proposed Decision at 5.

<sup>3</sup> Refer to graphs on p. 9-10 of the following ex parte report:

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M363/K789/363789708.PDF>

TPP should be approved in this current planning cycle. Second, the CPUC, CAISO, and other stakeholders must work together to ensure the IRP portfolio base resources agreed upon for the CAISO's ongoing TPP studies include all commercially near-ready resources such that the transmission infrastructure can keep up with the commercial realities of renewable resource development. SWPG and others have commented extensively on this topic in the CAISO's MIC Enhancement process.<sup>4</sup> To date, these recommendations have not been adopted by the CAISO.

## **Conclusion**

In closing, SWPG thanks the CEC, CPUC, CARB and the CAISO for the efforts to implement the findings of the SB100 study. SWPG is also available to provide the agencies with additional information pursuant to these comments as needed.

Sincerely,

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<sup>4</sup> See, for example, joint comments of SWPG, Valley Electric Association and, Pattern Energy (<https://stakeholdercenter.aiso.com/Comments/AllComments/e6d95719-0347-4f9c-adbc-c5ae3b620088#org-d59251e2-8cc6-4491-8c0e-ce773bbb87d6>)