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**California Western Grid Comments on July 22, 2021 Jt Agency
Workhop**

Additional submitted attachment is included below.

**SB 100 Implementation Workshop:
Planning for SB 100 Resource Build**

Comments of California Western Grid Development, LLC

Three Rivers Energy Development, LLC (TRED) is an Independent Transmission Developer that is developing the proposed Pacific Transmission Expansion Project (“PTE Project” or “PTEP”) on behalf of California Western Grid Development, LLC (“California Western Grid”). The PTE Project is a 2,000 MW controllable HVDC subsea transmission cable that the California Independent System Operator (“CAISO”) has found will allow any new or existing supply of renewable power and energy, that is available to the Diablo Canyon 500 kV switchyard, to be delivered to the West Los Angeles Basin and Big Creek Ventura area and significantly reduce local capacity requirements. The Project would assist with decarbonization of California’s electric system. The PTE Project is more fully described in Section 4.8.8 of the 2020-2021 CAISO Transmission Report issued March 24, 2021. The PTE Project is also currently being restudied by the CAISO as part of 2021-2022 CAISO Transmission Planning Process (“TPP”). Notably, the subsea cable avoids NIMBY environmental delays and wildfire risks.

We appreciate the opportunity to submit these comments on behalf of California Western Grid regarding the SB 100 Implementation Workshop held by the Joint Agencies¹ and the CAISO on July 22, 2021. The SB 100 Joint Agency Report issued in March concluded that implementing SB 100 will result in adding large amounts of new resources to the system, indeed as much as 172 GW of new resources added to the 80 GWs of capacity that existed in 2019, and, as Commissioner Gunda noted at the Workshop, the Report concludes that:

To reach the 2045 target while electrifying other sectors to meet the state’s economywide climate goals, California will need to roughly triple its current electricity grid capacity.¹²

¹ For purposes herein, the term “Joint Agencies” refers to the California Energy Commission (“CEC”), California Public Utilities Commission (“CPUC”) and the California Air Resources Board (“CARB”). The Joint Agencies together have SB 100 reporting and implementation responsibilities.

² <https://www.energy.ca.gov/news/2021-03/california-releases-report-charting-path-100-percent-clean-electricity>

The *SB 100 Joint Agency Report* envisions massive increases in all forms of renewable resources including utility-scale solar, rooftop solar, battery storage, and onshore and offshore wind. We believe California will need it all. Unfortunately, however, there is a misconception in California that simply building new renewables and connecting them to the existing grid will enable California to meet the SB 100 goals. However, without new transmission into our transmission constrained coastal regions, California will be reliant on the use of fossil fueled generation for generations. And, as we have said in our comments on the June 2nd SB 100 Joint Agency Workshop (which we incorporate herein by reference) up until now there has been no planning for delivering this massive amount of new energy to our urban coastal load centers that are already severely transmission constrained. It takes 10 years and longer to plan, build and commission new transmission. The need for approval of new transmission development is now urgent, particularly transmission to meet reliability needs in constrained urban coastal load centers. The CAISO must act now in the current planning cycle. As a result of the lack of adequate transmission into our coastal regions, the CAISO will have to continue to rely increasingly on the continued operation of Green House Gas (“GHG”) emitting resources. The CAISO has been warning for some time that the 10 year or more lead time for new transmission means that transmission planning and approval needed to start now last year if we are going to meet the many needs for new transmission.³ This cannot be postponed any longer.

California has ten Local Capacity Requirement Areas (“LCRA’s”); i.e., areas that have transmission constraints that do not allow the LCRA to rely on resources from outside the area and require it to rely on local resources which are generally GHG emitting resources. These LCRA’s account for a large percentage of California’s electric load. This was not as much of a problem historically as LCRA’s were content to be served by thermal plants located right in the LCRA. That being the case, transmission was not needed and therefore not built, to bring other resources into the LCRA. But now that SB 100 calls for reducing emissions by eliminating reliance on fossil fuels, transmission is urgently needed to reduce the Local Capacity Requirements so the LCRA can access other resources in the State. Yet, no new transmission is being planned or approved. To reduce reliance on local capacity installed in LCRA’s, which as of now, are GHG emitting, additional transmission development must be built to deliver zero-emission energy to transmission constrained local regions. New transmission development in California will likely take 10 years or more to go into service leaving a severe problem for the State to deal with in the meantime. This is the exact problem the CAISO has been warning about; i.e., transmission lagging new generation resources leading to extremely serious and costly problems.

As additional sectors of the economy electrify this could result in short-run increased GHG emissions and increased air pollution for Disadvantaged Communities that are already suffering these effects. These problems will persist and worsen if we fail to develop new transmission into LCRA’s particularly our urban coastal communities. California Western Grid is also

³ <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M340/K159/340159322.PDF>

concerned that the IRP Order to purchase an additional 11,500 MW of net qualifying capacity by 2026 will be less effective if new resources are built but cannot reach the LCRAs because of lack of transmission development. By focusing on developing addition resources without new transmission we will be helping other states more than our urban areas because more generation that can't get to our urban areas will go to neighboring states and likely be sold at a discount. This means that we will have adequate resources that can reach the grid but cannot reach the LCRAs because of the lack of transmission. In other words, we could have avoided this problem by adding transmission into LCRAs.

Delaying transmission into congested load centers also equates to foregoing the benefits of another key SB 100 goal: *diversity*. Once congestion is relieved and power from multiple renewable energy sources can reach a large market such as the LA Basin, the grid operator can better optimize the grid, saving consumers not only the local capacity charges but reduced cost of energy due to increased market efficiencies.

Thus, CAISO approval of new transmission into LCRAs as part of the current 2021-2022 TPP is now more essential than ever for an “all of the above” approach to decarbonization. There is every reason to plan and approve transmission for LCRAs as soon as possible including in the current 2021-2022 TPP, and delaying so imperils the state’s ambitious, and now accelerated, climate and energy goals.

California badly needs a transmission roadmap identifying transmission additions that are “least regrets,” and robust under a variety of future scenarios. With the 10-year or more lead time for new transmission, the CAISO and the State as a whole must act now to implement high voltage transmission additions while complying with SB 100 which, in part, requires prioritization in areas such as Los Angeles. New transmission would relieve transmission constraints into LCRAs like the Los Angeles Basin allowing for non-emitting diverse resources from around the state to reduce GHG emitting generation.

California is at fork in the road. The path is clear. The CAISO and the Joint Agencies must act now to:

- Recognize that SB 100 creates a clear and compelling “Public Policy Requirement” to plan and approve transmission into LCRAs to comply with the SB 100 requirements including a priority focus on LCRAs like LA where pollution is disproportionately impacting DACs.
- Recognize that this Public Policy Requirement must be addressed immediately by planning and approval of transmission into LCRAs in the pending 2021-2022 TPP.
- Create a “grid roadmap” to identify the additional new long-lead time, least regrets transmission that California will need to maintain reliable and economic service while implementing the goals of SB 100. The grid roadmap should include deliberative annual

goals for reducing dependency on thermal generation, particularly in LCR areas that are transmission constrained and unable to access new clean generation resources.

- Explore “low”, “mid” and “deep” decarbonization (aggressive thermal retirement) scenarios to examine how much additional transmission will be required under each scenario.
- Model additional transmission requirements needed to support load growth associated with electrification of the transportation industry as well as commercial buildings.
- Ensure the grid roadmap is actionable and move to study and approve those new transmission elements as part of the 2021-2022 TPP.

CONCLUSION

The Joint Agencies and the CAISO each have a unique and critical role in ensuring the grid is robust to support SB 100 goals reliably and cost effectively. Failure to plan for the required transmission will lead to additional unwanted curtailment of renewable resources, added cost to consumers and potentially result in dramatic grid failures much like those experienced in California last summer and Texas this past winter. We look forward to participating in future SB 100 workshops and the development of the CAISO’s 20-Year Transmission Outlook.

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ⁱ 6a00d8341c4fbe53ef0263e96ab1e2200b-200wi.png