

IEPR May 14 Workshop Interconnection of Renewable Projects in California

DOCKET
12-IEP-1D
DATE <u>MAY 14 2012</u>
RECD. <u>MAY 16 2012</u>

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Resource Scenarios – Key Uncertainties

- Formalize process around updating “discounted core”
 - Each portfolio should have “discounted core” as nucleus
- Refine out-of-state transmission requirements
- “Scheduled when delivered” out-of-state renewables not constrained by SB2 1X (qualify as Category 1)
- Key Uncertainties
 - Long term economic growth: impact on electric load growth
 - Effect of Distributed Generation and electric vehicles
 - Out-of-state retirement of gas-fired and/or coal generation
 - CTPG Estimates 50% of gas-fired generation displaced by renewables will be out-of-state
 - Carbon reduction targets will lead to retirement of high cost coal

Generator Interconnection & Deliverability - Allocation Procedures

- Recent changes in CAISO interconnection study process represent significant improvement
 - Unrealistic amount of generation in CAISO queue
 - Reliability Network - GIP, Delivery Network Upgrades - TPP
- Establish reasonable cap on generation development based on available transmission
- CAISO to identify ratepayer-funded upgrades with positive economic value relative to alternatives
 - Capability of existing system
 - Costs of upgrade and alternatives
 - Increased capacity value (RA, counting, rights)
 - Reduced congestion related costs (if any)
- Need alignment with LSE's, state and environmental agencies on siting