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May 22, 2013

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 13-IEP-1E
1516 Ninth Street
Sacramento, CA 95814-5512

California Energy Commission

DOCKETED

13-IEP-1E

TN 70941

MAY 22 2013

Re: 2013 IEPR – Transmission Planning and Permitting Issues

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The California Municipal Utilities Association (CMUA) appreciates the opportunity to submit post-Workshop Comments on issues raised at the “Transmission and Generation Siting” workshop as part of the 2013 Integrated Energy Policy Report (IEPR).

CMUA believes two major themes came out of the Workshop. First, transmission is being planned, approved, and built to deliver the renewable resources to meet the 33% Renewable Portfolio Standard (RPS) requirement. Transmission planning is not an obstacle to achieving state renewable mandates. Further, the transmission is being located in areas based on environmental factors. Second, the best way to minimize the environmental footprint is to get the transmission planning decisions right. This metric is driven by the delivery standards and procurement policies of the California Public Utilities Commission (CPUC). Analysis of procurement policies is key to minimizing environmental constraints. Today, transmission upgrade decisions are driven by the decision of how to treat low-capacity factor intermittent resources for Resource Adequacy purposes. This deliverability methodology increases the transmission upgrade requirements significantly, and has environmental consequences.

Transmission is Being Approved and Built

CMUA strongly supports the presentation and materials supplied by the Southern California Edison Company (SCE) at the May 7th Workshop. Within the broad policy discussion on transmission and renewable energy delivery, the fact that transmission has and is being built is often lost. This can be seen in the sharp increase in the Transmission Access Charge (TAC), which has increased from approximately \$2/MWh in 2003 to almost \$9/MWh today, with near-term projections of the TAC reaching \$13/MWh.

As shown in slide 3 of the SCE materials, several projects have been approved through the CAISO Transmission Planning Process and have been permitted at the CPUC. Others are in the pipeline. As SCE notes, the CAISO TPP has concluded for three straight cycles that enough transmission has been approved through its processes to meet 33% of the RPS requirements. The Los Angeles Department of Water and Power Integrated Resource Plan affirmed that planned upgrades will enable achievement of RPS mandates. It is time to put to bed once and for all the argument that transmission planning is an obstacle to achievement of RPS targets.

Second, as slides 6 through 15 of the SCE presentation clearly show, there is a strong correlation between what is approved and/or in the siting pipeline, and the favored areas identified through the Desert Renewable Energy Conservation Plan. Thus, while improvements can always be made, the claim that environmental considerations are not strongly considered in the transmission plan is not borne out by empirical evidence.

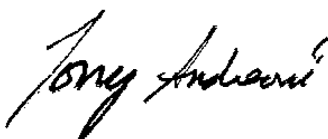
Minimizing Environmental Impact of Transmission Means Making Appropriate Transmission Planning Choices

The renewable portfolio scenario assumptions developed through the Long-Term Procurement Process at the CPUC are direct inputs in the CAISO TPP, and drive studies that consider whether new transmission is needed to meet policy objectives. Thus, the single most important factor in TPP decisions is procurement. Further, as Mr. Millar explained in his remarks, the biggest single driver for transmission is the directive to count intermittent renewable resources for Resource Adequacy, and as such build network upgrades that are sized to ensure the simultaneous deliverability of interconnected renewable resources.

This fundamental assumption should be questioned if environmental impacts of transmission are to be minimized. While intermittent resources clearly have some RA value, their capacity factor is some fraction of a dispatchable thermal resource. It is costly to build out the transmission grid to ensure that all resources are simultaneously deliverable, especially when it is predictable that intermittent resources will not all be at full output at the system coincident peak. In turn, the decision to ensure full deliverability will result in building additional transmission which may not be needed, or may be sized in a way that increases the environmental footprint unnecessarily. If the CEC wishes to examine how to best minimize environmental impacts of transmission grid expansion, the methodology which assumes the need for full deliverability should be more closely scrutinized.

CMUA appreciates this opportunity to submit these comments into the 2013 IEPR.

Sincerely;

A handwritten signature in black ink, reading "Tony Andreoni". The signature is written in a cursive, flowing style.

Tony Andreoni, P.E.
Director of Regulatory Affairs