CalWEA's December 6, 2021, Comments submitted Online via CAISO Template

Submit comment on November 18, 2021 stakeholder meeting

2021-2022 Transmission planning process

1. Please provide your organization's comments on the Preliminary Policy Assessment, as described in the second portion of the presentation:

Generally, as we anticipated in our August 10, 2021, comments, due to the stunted vision reflected in the CPUC's IRP-TPP base portfolio – which seemed designed to avoid transmission upgrades -- and the ISO's unwillingness to exercise its own prerogative to conduct more robust studies in view of clear future needs, the current TPP cycle is proving to be of extremely limited value. California's ability to efficiently and timely meet its SB 100 goals will suffer as a result.

More specifically, we offer the following comments:

a. The deliverability study assumption for offshore wind is set to 100% in the HSN deliverability assessment, which seems unrealistically high. Please clarify how the study assumptions were determined for both HSN and SSN and whether more realistic assumptions can be used for future TPP cycles.

b. The presentation shows that 5.3 GW of Central Coast offshore wind and 1.6 GW Humboldt offshore wind under option 2 or 3 are deliverable without transmission upgrades. While these appear to be encouraging results, they assume that the Diablo Canyon Nuclear Power Plant (DCNPP)'s transmission planning deliverability (TPD) capacity will become available and be made available exclusively for offshore wind. Please explain whether this available deliverability could vanish if PG&E retains its transmission rights and in view of the various resources in the generation interconnection queue that do not show up in the policy studies.

   CAISO should seek to improve the likelihood that offshore wind projects will acquire a portion of any available TPD capacity rights at the Central Coast in two ways:

   First, the ISO should make available considerable deliverability capacity by making reasonable reforms to its deliverability methodology, as CalWEA discussed in its August 10, 2021, TPP comments (see response to question 2). To make some progress on this issue, CalWEA suggests removing the SSN test.

   Second, the ISO should seek to acquire the necessary TPD capacity for Central Coast offshore wind from PG&E and its retiring DCNPP. The payment offered by the ISO (via the Transmission Access Charge) would be based on the embedded cost of transmission infrastructure built to support DNCPP, and the proceeds should reduce the TAC for PG&E's customers. Assuming the ISO acquires the TPD capacity rights, those rights will become part of the network and immediately available for subscription to developers in the area where there is considerable demand for TPD rights from solar and storage projects. Therefore, it is essential that rights acquisition be timed such that (a) the leases for offshore

wind development have been issued by the federal BOEM, expected in 2022-23, so that developers are in a position to file and secure an interconnection agreement under the ISO's tariff, and (b) developers have secured power purchase agreements (PPAs), given that the ISO assigns TPD rights on a priority basis and gives developers holding PPAs the highest priority. While this will not ensure that all offshore wind projects obtain TPD capacity, it will give them a strong opportunity. The ISO should coordinate with the Commission on this matter.

Request for clarification: We note that p. 92 of the PDF file containing the ISO's presentation shows the affected transmission zones as Humboldt, which we believe should, instead, reflect the Central Coast area.

c. No significant policy upgrades were identified due to the large amount of energy-only (EO) resources in the portfolio. The EO assumption does not align with the reality that all generators in the interconnection queue want deliverability. Again, to make some progress on this issue, CalWEA suggests removing the SSN deliverability methodology.

d. Please clarify how the out-of-state wind study assumptions were determined in the deliverability assessment. It looks like out-of-state wind has much lower output than offshore wind during the net-load peak hours and somewhat lower output during the gross load peak hours. In the context of the generation interconnection queue, granting deliverability to out-of-state wind in addition to the import deliverability already being preserved would take away deliverability available to the generation already in the queue. Considering all the factors, offshore wind appears to be more beneficial to ISO ratepayers in terms of performance to meet reliability need, cost of facilities for California to access resources, and impacts on other resources obtaining deliverability.

e. The development of the current on-peak deliverability assessment methodology focused on peak load shifting and wind/solar performance during different load condition time periods. The Secondary System Need (SSN) scenario, in particular, is for high gross load and relatively high solar output. The assumption is that, although the reliability risk is low due to available solar output, there is still a risk if a large amount of solar output is constrained by transmission. However, there was little attention on the performance of dispatchable resources during the SSN time window. All non-wind and non-solar resources were simply assumed to produce up to their full NQC. This assumption is unrealistic. When there is abundant solar, flexible resources are at low, or even negative, output (i.e., storage charging) to get ready for later hour, fast net-load ramping requirements and the peak net load (HSN). With full NQC output, the SSN analysis is contaminated by skewed dispatch assumptions due to over-supply. The SSN study does not, therefore, properly identify the potential reliability risk that the deliverability assessment intends to identify and should be eliminated.

2. Provide your organization's comments on the Preliminary Economic Assessment, as described in the third portion of the presentation:

It will be helpful to see the utilization of the out-of-state wind and the offshore wind in various sensitivity studies. We encourage the ISO to include plots of wind output, load and import in the draft report.

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3. Provide your organization's comments on Reliability Projects less than $50 million, as described in the fourth portion of the presentation:

CalWEA generally supports the relatively limited reliability projects.

4. Provide your organization's comments on the PG&E Area High Voltage Assessment (update), as described in the fifth portion of the presentation:

No comment at this time.

5. Provide your organization's comments on the 20 Year Transmission Outlook (update), as described in the final portion of the presentation:

- CalWEA questions why in-state wind would drop to 2,237 MW in the SB 100 Starting Point scenario from the 3,553 MW in 2025 and 2032.
- As explained in our August 10, 2021, TPP comments, we continue to recommend that the ISO study an offshore network to efficiently integrate offshore wind resources while also strengthening the backbone grid.

6. Provide additional comments (if any) on the November 18, 2021 stakeholder meeting:

No additional comment.