



To: The Honorable President Marybel Batjer, Commissioner Liane M. Randolph, Commissioner Martha Guzman Acecves, Commissioner Clifford Rechtschaffen, and Commissioner Genevieve Shiroma

Cc: Paul Douglas (CPUC), Neil Millar (CAISO), Scott Flint and Chris McLean (CEC)

From: Irene K. Moosen (CALCCA), Nancy Radar (CaIWEA), and Justin M. Campbell (GLW)

Date: October 7, 2019

Re: *Ex Parte* Communication on Transmission Constraints in Proceeding R.16-02-007

As a diverse group of stakeholders, we write to request that the Commission, in consultation with the Energy Commission and CAISO, make a simple change to the methodology in the 2019-20 IRP cycle that will reveal the true, greater potential of deliverable wind and solar capacity in renewable energy zones within the CAISO balancing area (“CREZs”), without necessarily triggering transmission upgrades.

Our requested change would simply carry through the Commission’s new Resource Adequacy (RA) capacity valuation methodology, known as Effective Load Carrying Capability (“ELCC”), to the component of the IRP methodology that assesses the volume of potential renewable resources in each CREZ that could contribute RA capacity. The ELCC method has already been adopted for wind and solar resources in the Commission’s RA determinations, in Renewables Portfolio Standard utility bid evaluations, and in IRP modeling of resource values. Moreover, this change would be consistent with CAISO’s plans to [revise its Deliverability Assessment Methodology](#) used in support of RA assessments to make it more consistent with the ELCC-based Qualifying Capacity (“QC”) calculation. In essence, the generally lower QC values of wind and solar resources under the CAISO’s revised methodology should free up deliverability transmission capacity for a greater number of renewable energy projects in all CREZs without the need for new deliverability transmission upgrades.

Updating the IRP methodology in this way has several important benefits:

- The Reference System Plan will be able to identify substantially more wind and solar generation capacity in most CREZs that would be deemed deliverable and can offer RA capacity, hence reducing the need for carbon-based RA resources;
- Much (if not all) of this capacity can be built without triggering deliverability transmission upgrades, and thus can be made available sooner for renewable compliance;

- Resources can be identified for interconnection in locations where there is greater development potential, rather than in locations where development is highly unlikely, as occurred in the 2017-18 IRP; and
- As a result of all of the above, the IRP will be more likely to identify a portfolio that has a greater chance of being realized in a timely manner, ***substantially increasing the odds of meeting our clean energy goals on time.***

The attachment elaborates further on the points above.

In summary, in the short run, we ask that the CPUC make a simple change to the methodology in the 2019-20 IRP cycle that will reveal the true, greater potential of deliverable wind and solar capacity in CREZs, without necessarily triggering transmission upgrades. We request the opportunity to meet with you to address any questions or concerns you may have. Given that CPUC staff has already released preliminary results related to 2019 Reference System Portfolio modeling, time is of the essence, and we hope it is possible to meet by mid-October.

Respectfully submitted,

/s/ Irene K. Moosen

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Attachment – Further Details on Requested IRP Process Revisions

Updating the IRP methodology in this way is a relatively easy task. All that would be required is for CAISO to account for ELCC when calculating the transmission deliverability capacity of wind and solar resources from the various CREZs.

CAISO is in the process of revising its deliverability assessment methodology.¹ CAISO has developed a new transmission deliverability assessment methodology that reflects the ELCC concept for application in its Generation Interconnection Process (GIP/GIDAP). However, CAISO has postponed implementing this new methodology for all applications pending the development of a mitigation measure to the potential transmission congestion that might come about as a result of more resources being declared deliverable. We understand the delay in implementing CAISO’s new deliverability assessment methodology in the generation interconnection process as it deals with specific generation additions in the imminent future. However, when it comes to the IRP, the analysis timeline is so far in the future that CAISO will have developed and adopted its transmission congestion mitigation measures before the time that anticipated IRP resources are being developed.

Much (if not all) of this capacity can be built without triggering deliverability transmission upgrades. As noted above, CAISO has indicated that it wants to implement congestion mitigation protocols before applying ELCC in GIP/GIDAP, to guard against over-development in a CREZ that could lead to congestion and the need for economic or policy transmission upgrades. As also noted above, it is reasonable to expect CAISO will accomplish its congestion mitigation goal in advance of when the resources in the IRP will be needed and developed. We believe that, even without congestion management protocols, however, those who develop and procure resources in the California market are sensitive to curtailment and will conduct due diligence to ensure that marginal projects will not create transmission congestion. The IRP analysis can foster this outcome because it will lead to the CAISO’s identification of transmission upgrades that may be cost-effective and warranted. Indeed, this is a major purpose of IRP: to inform the need for transmission upgrades necessary for cost-effective achievement of the state’s clean-energy goals.

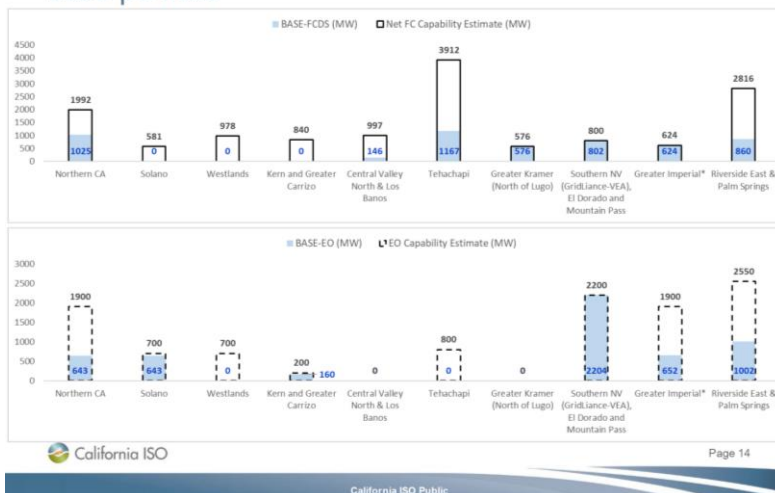
Making this change will promote more realistic development of generating resources and transmission upgrades. The CAISO’s revised methodology is expected to lift artificial restrictions on potential development in CREZs, such as the Greater Kramer, Southern Nevada, Greater Imperial, and Kern and Greater Carrizo CREZs by allowing additional renewable resource buildout without triggering the need for new transmission upgrades.

Note, for example, that the CAISO is showing that these areas are being limited by available transmission as provided by the CAISO based on the existing methodology, as indicated by full “blue” bars on the following graphic.²

¹ See for example the CAISO’s “Deliverability Assessment Methodology Revisions” Straw Proposal, July 29, 2019. (<http://www.caiso.com/Documents/StrawProposal-GenerationDeliverabilityAssessment.pdf>)

² CAISO TPP Presentation to Stakeholders on September Electronic slide 226.

Utilization of the estimated transmission capability - base portfolio



Also shown are upgrades found as needed in Queue Cluster 10 that will not be needed in the PG&E South area, the SCE-VEA-GLT area and the SDG&E area under this new methodology.³

Comparing to past results using Current Methodology

The new methodology results in the following upgrades identified using the current methodology in QC10 Phase I reports not being needed, and no new requirements:

PG&E South area	SCE-VEA-GWT area	SDG&E area
LDNU: Warnerville-Wilson 230 kV	RNU: Lugo – Victorville RAS expansion	RNU: Sycamore-Penasquitos 230 kV RAS
LDNU: Borden-Wilson Corridor 230 kV OLS	RNU: Bob RAS	RNU: Mission-San Luis Rey 230 kV RAS
LDNU: ElCapitan-Wilson 115 kV	RNU: Innovation RAS	
LDNU: Panoche-Mendota 115 kV Line	ADNU: Desert Area Deliverability Constraint substantially alleviated	LDNU: Silvergate-Bay Boulevard 230 kV series reactor
LDNU: GWF-Kingsburg 115 kV line	ADNU: North of Lugo Area Deliverability Constraint substantially alleviated	ADNU: East of Miguel Area Deliverability Constraint (IV – Valley 500 kV line)
LDNU: Helm-Crescent SW Station 70 kV line	ADNU: Barre-Lewis 230 kV Area Deliverability Constraint (Talega-Santiago 230 kV line)	
RNU: 4 RAS (3 in Fresno and 1 in Kern) not needed		

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The Commission recognized the need to improve the agencies’ management of the IRP transmission limitations. In its final decision on the 2017-18 IRP, the Commission acknowledged the import of the transmission availability information that CAISO generates for the IRP. The Commission recognized the benefit of aligning respective agency information and allowing for stakeholder analysis and vetting.⁴ In June of this year, CPUC staff raised questions about the treatment of the transmission availability information in this 2019-2020 cycle, and in response, several parties including American Wind Energy Association and Large Scale Solar Association, the Sierra Club and the Center for Environmental Justice

³ Generation Deliverability Assessment Methodology Issue Paper Stakeholder Call presentation, May 2, 2019. Slide 21. (<http://www.caiso.com/Documents/Presentation-GenerationDeliverabilityAssessmentIssuePaper.pdf>)

⁴ Decision Adopting Preferred System Portfolio and Plan for 2017 – 2018 IRP Cycle, April 25, 2019, pp. 109 – 111.

Alliance, San Diego Gas and Electric, as well as the California Wind Energy Association and GridLiance West expressed concern about proceeding with availability results previously provided CAISO. In particular, parties commented that the availability would improperly limit build-out in several areas and several asked that the new GIDAP methodology be used to revise the availability information used in IRP.