

## COMMENTS TO CTPG STUDY GROUP 17 DECEMBER 09 CONFERENCE CALL

DayStar Farms is engaged in developing infrastructure to support the deployment of needed renewable energy facilities, particularly solar facilities, and its affiliate, Critical Path Transmission, LLC has submitted a transmission upgrade as part of the CAISO's recent "Request Window". DayStar Farms appreciates the recent "public outreach" of the CTPG and the opportunity to submit comments following the 17 December conference call.

Our recommendations and comments fall into two major categories; the relationship between the Phase 2A RETI conclusions and the CTPG renewable generation baseline assumptions, and how the CTPG's process includes recommendations, comments and CAISO Request Window input from the stakeholders who are outside the CTPG transmission planning process.

### **Recommendation 1: Change the CTPG renewable generation assumptions to be in line with the RETI CREZ findings and recommendations.**

To say that the CTPG renewable generation transmission planning assumptions are based on the RETI conclusions is an overstatement. It *appears* that the methodology to go from the Phase 2A RETI Conclusions to the CTPG Transmission Planning Assumptions was a three-step process:

1. CTPG added seven new sources of Renewable Generation (Arizona, Humboldt, Idaho, Montana, Nevada S, San Diego and Washington) that were not in the RETI Phase 2A baseline. These new sources represent 2,100 MW (5,600 GW-hrs) or roughly 10% of the CTPG total generation capacity. See Appendix A for details.
2. CTPG then deleted 15 RETI CREZs (Baja-A, Baja-B, British Columbia, Carrizo North, Cuyama, Iron Mountain, Lassen South, Needles, Nevada N, Owens Valley, Round Mountain-A, San Diego North Central, San Diego South, Twenty Nine Palms and Victorville) that were in the RETI Phase 2A baseline. These deleted sources represent roughly 20,000 MW (57,000 GW-hrs) or about 25% of the RETI Phase 2A total generation capacity.
3. The final step of the process involves decreasing the generation capacity of the individual remaining RETI CREZs between 32% and 99% representing an overall 56% decrease of the total RETI Phase 2A baseline; except for Oregon and Pisgah, which were increased 418% and 127% respectively. No explanation is given for the amount of decrease and there is no correlation between the amount of the decrease and the mysterious "success rate" factor in the CTPG charts.

It may be the case that the CTPG generation baseline was derived from some independent process and the charts presented in the “public outreach” meeting were only a top level listing for comparison reasons only. It does not appear that the unexplained “success rate” in the CTPG charts were used in the derivation of the CTPG generation baseline. Note that these “success rates” appear to be arbitrarily chosen to be either 0%, 26% or 100%, (except for Tehachapi at 51%, perhaps driven by the capacity of the TRTP transmission line). Nor does there seem to be any correlation between the CTPG generation baseline and the footnote indicating that the RETI generation numbers were approximately 1.6 times the RETI net short, as the individual RETI CREZs were modified by CTPG independently.

As an example, the Fairmont CREZ was rated at 3,518 MW of renewable generation in the Phase 2A RETI Final Report. Dividing that value by 1.6 yields 2,200 MW. The value after the CTPG “success rate” modification is 929 MW. The CTPG baseline value for the Fairmont CREZ is inexplicably 345 MW. It is possible to envision that the CTPG generation baseline values were specifically selected in order to derive a specific desired outcome of the Transmission Planning Process.

**Recommendation 2: The CTPG should be responsive to stakeholders outside the CTPG planning process.**

During the “public outreach” meeting, Mr. Beshir emphasized that although the CTPG coordinates with the CAISO, the CTPG process is a completely separate process from the CAISO process. While it is generally understood that the CTPG process is inherently not compliant with FERC Order 890 due to the lack of transparency of the process and the existence of two different classes of stakeholders (ones with seats at the table and ones invited to submit comments at “public outreach” meetings), it appears that the CTPG desires a veneer of Order 890 compliance. As such, the views expressed by Mr. Wu and Mr. Beshir below regarding how the CTPG will include stakeholder recommendation and comments were very disturbing.

When asked how outsider stakeholder comments to the planning assumptions would be incorporated into the CTPG planning process, Mr. Wu noted that the CTPG will only change their planning assumptions for these studies if a “fatal flaw” in the assumptions or process were discovered. He further stated that the current assumptions and analysis were “reasonable” and that the process would not be restarted “if a better one” was recommended as it would slow the process to reach a CTPG Transmission Plan. Furthermore, Mr. Beshir stated that the CTPG Study Group “has no expectation to incorporate (outsider) stakeholder comments into the process unless there was a major mistake in their current analysis.”

For example, several stakeholders pointed out in the “public outreach” meeting that it appeared that the CTPG planning assumptions were disconnected from the RETI Phase 2A Final Report and also that the CTPG “single analysis” process was done for the convenience of making the study simple and straightforward for the transmission

planners. It was recommended at the meeting that a “multi-analysis” approach would yield a better outcome.

Slide 6 of the CTPG Presentation notes that the CTPG Process “coordinates with existing utility plans.” However, there does not appear to be any meaningful mechanism for the CTPG Process to “coordinate with existing independent transmission developer plans.” Many of these existing independent transmission developer plans are farther along than some of the “utility plans” as reflected in their submission in the FERC-approved CAISO TPP Request Window. If the recommendations, comments and other input from stakeholders who are not invited to the CTPG table are not to be considered, it makes the entire “public outreach” of the CTPG moot, except, perhaps as a public relations exercise.

If the CTPG is serious about including *all stakeholders of the Transmission Planning Process*, the process must be restarted with assumption and process recommendations from all the stakeholders taken on an equal footing. The CTPG has gone to great lengths to emphasize that this study phase “does not determine a FINAL Transmission Plan”. However, it does provide a baseline for the final plan that will become the *de facto* “Statewide Transmission Plan”, such that any proposed changes to the plan would have to be justified. Furthermore, by its own admission, the assumptions and analysis that derives this “Statewide Transmission Plan” are not necessarily the best assumptions and analysis, but only the assumptions and analysis chosen in private session by the incumbent PTOs (IOUs).

**Recommendation 3: The CTPG planning process should include in their baseline Transmission Plan all of the projects submitted to the CAISO via the FERC-approved 2009 and 2010 Transmission Planning Process Request Windows.**

The first step of the CTPG Transmission Planning Process should be to baseline the projects already submitted to the CAISO via the *FERC-approved* process (both in this year’s Request Window and last year’s Request Window). Based on this “Baseline Plan”, *all stakeholders* will be able to see and evaluate how much renewable generation can be brought onto the grid by existing CAISO submitted plans, and also where this renewable generation is located relative to the RETI Phase 2A recommendations. Using this existing “Baseline Plan”, the CTPG can run the 2020 Case A, B and C (and other) studies. If some fine-tuning or additional transmission is required to access additional renewable generation, the CTPG, through a transparent stakeholder process, can incrementally add transmission projects based on those RETI CREZs that are not already accessed by currently planned projects.

In the “public outreach” meeting, CTPG staff stated that the CTPG process may not be the best process, but it is reasonable process. We respectfully disagree, and, if the process is not reversed, we are confident that FERC will find it unjust, unreasonable, and unduly discriminatory if the CASIO attempts to use the results, unless steps are taken to revisit the assumptions in a truly open and transparent manner. Using the

existing planned transmission projects already submitted to the CAISO is not only also a reasonable process, but it also reflects the commitments of developers in the free marketplace who are already underway with engineering design, permitting and local community planning of real transmission projects. If the CTPG is serious about having transmission built in the most expeditious manner, the best approach is to start with those projects that are already underway and have been submitted in the proper and legitimate FERC-approved manner. Many of the stakeholders look forward to reviewing at the next “public outreach” meeting such a 2020 grid-wide analysis by the CTPG of the existing transmission projects already submitted to the CAISO that are ready to move forward now.

Thank you for the opportunity to submit comments to the CTPG Technical Study Group.

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**APPENDIX A: COMPARISON OF RETI PHASE 2A AND CTPG RENEWABLE GENERATION BASELINE**

<u>Renewable Generation</u>	<u>RETI Phase 2A</u> <u>Developable Capacity</u>		<u>RETI ÷ 1.6</u>		<u>RETI as modified</u> <u>by CTPG "success rate"</u>		<u>CTPG</u> <u>"Success"</u> <u>Rate</u>	<u>CTPG</u>		<u>CTPG as</u> <u>% of RETI</u> <u>Total MW</u>
	<u>Location (Region/CREZ)</u>	<u>MW</u>	<u>GWhr</u>	<u>MW</u>	<u>GWhr</u>	<u>MW</u>		<u>GWhr</u>	<u>MW</u>	
Arizona	0	0	0	0	0	0	-	333	740	***
Baja - A (La Rumorosa)	2,368	8,035	1,480	5,022	2,368	8,035	100%	0	0	0%
Baja - B (Santa Catarina)	2,632	8,931	1,645	5,582	2,632	8,931	100%	0	0	0%
Barstow	2,336	5,856	1,460	3,660	617	1,546	26%	850	1,985	36%
British Columbia	340	1,849	213	1,156	340	1,849	100%	0	0	0%
Carrizo North	1,600	3,395	1,000	2,122	422	896	26%	0	0	0%
Carrizo South	3,877	8,323	2,423	5,202	1,024	2,197	26%	1,545	3,429	40%
Cuyama	800	1,784	500	1,115	211	471	26%	0	0	0%
Fairmont	3,518	10,355	2,199	6,472	929	2,734	26%	345	862	10%
Humboldt	0	0	0	0	0	0	-	11	82	***
Idaho	0	0	0	0	0	0	-	130	350	***
Imperial East	1,623	3,959	1,014	2,474	429	1,045	26%	15	43	1%
Imperial North - A	1,370	10,626	856	6,641	1,370	10,626	100%	352	2,775	26%
Imperial North - B	1,830	4,507	1,144	2,817	483	1,190	26%	386	1,843	21%
Imperial South	3,715	9,167	2,322	5,729	981	2,420	26%	466	1,091	13%
Inyokern	2,432	6,322	1,520	3,951	642	1,669	26%	242	467	10%
Iron Mountain	4,912	11,611	3,070	7,257	1,297	3,065	26%	0	0	0%
Kramer	6,412	16,553	4,008	10,346	1,693	4,370	26%	344	988	5%
Lassen North	1,467	3,784	917	2,365	387	999	26%	873	2,262	60%
Lassen South	410	1,106	256	691	108	292	26%	0	0	0%
Montana	0	0	0	0	0	0	-	413	1,111	***
Mountain Pass	1,658	4,336	1,036	2,710	438	1,145	26%	768	1,777	46%
Needles	461	1,187	288	742	122	313	26%	0	0	0%
Nevada C	352	2,624	220	1,640	352	2,624	100%	239	1,886	68%
Nevada N	115	822	72	514	115	822	100%	0	0	0%
Nevada S	0	0	0	0	0	0	-	217	502	***
Oregon	392	3,062	245	1,914	392	3,062	100%	1,637	4,408	418%
Owens Valley	1,400	3,613	875	2,258	370	954	26%	0	0	0%
Palm Springs	770	2,595	481	1,622	203	685	26%	147	500	19%
Pisgah	2,550	6,281	1,594	3,926	673	1,658	26%	3,248	7,763	127%
Riverside East	10,550	25,473	6,594	15,921	2,785	6,725	26%	1,562	3,471	15%
Round Mountain - A	384	2,691	240	1,682	101	710	26%	0	0	0%
Round Mountain - B	187	742	117	464	49	196	26%	78	319	42%
San Bernardino - Baker	3,670	8,707	2,294	5,442	969	2,299	26%	825	1,870	22%
San Bernardino - Lucerne	3,030	8,143	1,894	5,089	800	2,150	26%	174	560	6%
San Diego	0	0	0	0	0	0	-	23	171	***
San Diego North Central	281	739	176	462	74	195	26%	0	0	0%
San Diego South	678	1,926	424	1,204	179	508	26%	0	0	0%
Santa Barbara	433	1,180	271	738	114	312	26%	92	249	21%
Solano	894	2,865	559	1,791	236	756	26%	408	1,248	46%
Tehachapi	10,837	29,473	6,773	18,421	5,514	15,716	51%	3,868	10,189	36%
Twentynine Palms	1,805	4,616	1,128	2,885	477	1,219	26%	0	0	0%
Victorville	1,636	4,270	1,023	2,669	432	1,128	26%	0	0	0%
Washington	0	0	0	0	0	0	-	963	2,594	***
<b>TOTAL</b>	<b>83,725</b>	<b>231,508</b>	<b>52,328</b>	<b>144,693</b>	<b>30,328</b>	<b>95,512</b>	<b>36%</b>	<b>20,554</b>	<b>55,535</b>	<b>25%</b>