

Input to Phase 3 Study Plan, CTPG  
March 24, 2010

The Division of Ratepayer Advocates, CPUC, is pleased to have this opportunity to provide input to the Phase 3 Study Plan.

1. The purpose of CTPG's efforts is to develop a statewide conceptual transmission plan which will serve as the foundation document used by the CAISO in developing the detailed plans to achieve the 33% RPS Goal by the year 2020.
2. The DRA has a statutory responsibility to advocate for the ratepayers of the State of California in order that they obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has provided written comments on the Phase 1 Draft Report and the Phase 2 Draft Study Plan. None of these comments appear to have been addressed adequately based on what the DRA knows about Phase 2 to date.
3. In the "Study Scope" section of the Final Phase 2 Study Plan, CTPG states: "Each phase is intended to build on the previous phase by refining and adding additional scenarios and assumption and testing the sensitivity of these scenarios and assumptions." Our first concern is that while the actual performers of the study are very likely aware of the detailed results of the Phase 2 Study, we non-performing stakeholders do not have that information since input to phase 3 is being requested prior to issuance of even a draft of the Phase 2 Study Report. This report draft is currently scheduled for April 9.
4. However, based on the Final Phase 2 Study Plan, it appears that DRA's request for additional scenarios relating to the criteria for adding renewables and removing fossil units has not been included in Phase 2.
5. Since use of the CTPG's Phase 2 criterion results in a substantial impact on the entire California Transmission Infrastructure, the correction of which results in very large ratepayer expense, DRA strongly urges that scenarios be run in Phase 3 with DRA's Alternative Criteria that were provided in DRA's comments on the

Phase 1 Draft Study Report. DRA believes that use of these criteria will result in the following:

- (1) Appropriate renewables will be added as needed.
- (2) Fossil will be removed on a least impact and thus a least cost basis.
- (3) Impact on the Transmission Infrastructure will be greatly reduced.

6. As stated in the Phase 2 Final Plan, the present criterion that has been used in the Phase 2 scenarios is the same as used in Phase 1 and is solely based on turning down high heat rate fossil units first. As provided in our comments on the Phase 1 Draft Report, DRA's suggested criteria, in order of application are:

- (1) For each increment of renewable resource added in a particular area of the state, there should be a corresponding decrement of fossil generation in the same area of the state.
- (2) If that is not possible, then fossil generation should be decremented at a location based on an assessment of the impact of the added renewable generation and the decremented fossil on the major foundation transmission infrastructure of the state, e.g., Path 15, Path 26 and others.
- (3) Lastly, least economic fossil generators should be decremented before highly efficient plants providing criterion 1 and criterion 2 are met.

DRA appreciates this opportunity to provide input to the CTPG Phase 3 Study Plan.

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