

**Response of the California Transmission Planning Group
Technical Steering Committee Study Team**

**California Public Utilities Commission Division of Ratepayer Advocates Comments
Re: CTPG's Phase 3 Study Plan**

Comment Received:

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.

CTPG Study Team Response:

CTPG appreciates DRA's comments along with those previously filed as part of the Phase 2 study effort. DRA's comments on the Phase 2 study plan were addressed in a response posted to the CTPG website. Please see

http://www.ctpg.us/public/index.php?option=com_content&view=article&id=3&Itemid=3

Comment Received:

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.

CTPG Study Team Response:

CTPG continues to strive to effectively involve all stakeholders while meeting the demands of an accelerated schedule to meet the states RPS goals and. The Phase 2 Study Report was posted for comment on April 15 while the Draft Phase 3 Study Plan was posted for comment on April 19 in preparation for joint stakeholder review. In addition a stakeholder meeting was held in Sacramento on April 20 to further solicit stakeholder input and participation in both the Phase 2 results and the Phase 3 Study Plan.

Comment Received:



1. 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.
2. 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.
3. 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.

CTPG Study Team Response:

As with Phase 2, CTPG continues to consider DRA's suggested redispatch criteria an unworkable solution as most of the renewable resource development potential in the state is located remote from the major load centers while most of the least efficient resources are located within the load centers. For this reason, with reference to the previous response to this request below, CTPG will not implement this suggestion in the Phase 3 studies.

"CTPG has considered DRA's suggestion that renewable resource increments in a particular area of the state be matched, to the extent possible, with fossil-fired decrements in the same area. CTPG does not believe this is a workable approach because most of the renewable resource development potential is located well away from major load centers and most of the least efficient fossil-fired generation is located within load centers. CTPG does agree with DRA, however, that a possible alternative to constructing major new transmission infrastructure additions is redispatching fossil-fired generation. An economic evaluation will be required to determine whether the costs associated with redispatching fossil-fired generation are less than the costs of new transmission infrastructure. As indicated above, these sorts of economic evaluations are outside the scope of CTPG's Phase 2 study work."

