

April 28, 2010

Division of Ratepayer Advocates of the California Public Utilities Commission
Comments on
2010 California Transmission Planning Group (CTPG) Draft Study Plan, Phase 3
April 13, 2010

The Division of Ratepayer Advocates of the California Public Utilities Commission (DRA) appreciates the opportunity to comment on the 2010 California Transmission Planning Group (CTPG) Draft Study Plan, Phase 3, issued on April 13, 2010, and discussed at a stakeholder meeting on April 14, 2010.

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. Based on the results of the CTPG Studies to date, there could be a significant cost impact on ratepayers due to transmission upgrades required as a result of the CTPG Phase 3 study.

As described in the California Independent System Operator (CAISO) Second Draft Final Proposal for the 33% Renewable Energy Transmission Planning Process (RETPP), the CTPG is responsible for developing the statewide conceptual transmission plan which is Phase 1 of the overall CAISO RETPP. This statewide plan will be the definitive input of transmission elements used to develop specific projects in Phase 2 and Phase 3 of the CAISO RETPP.

DRA is pleased that the CTPG has improved its scheduling effort by issuing the Phase 2 Draft Report prior to the issuance of the Phase 3 Study Plan thus allowing stakeholders the opportunity to review it prior to or at the same time as submitting comments on the Draft Phase 3 Study Plan.

The draft plan represents a significant analytical effort by the CTPG to address issues raised by the planned implementation of the 33% RPS on the transmission infrastructure of the state. Our comments are as follows:

1. In Section 1.2, Phase 3 Overview, the concept of a set of “least regrets” lines is introduced without definition and explanation.

This concept should be fully defined and explained.

2. Section 1.2, Phase 3 Overview, F. Generation Redispatch does not include redispatch criteria important to the ratepayer.

While CTPG’s use of heat rate has merit in deciding which fossil units are redispatched (decremented) first, the “higher marginal costs of production” are insignificant compared with the potential costs to ratepayers for the transmission infrastructure changes that result from using this methodology. The Phase 2 Study OTC case clearly shows the value of considering location in the sequence and selection of units to be redispatched. DRA requests a case be run in phase 3 utilizing the following criteria:

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 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.

This was not done in Phase 2. 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.

DRA also requested this scenario when providing formal input to the Phase 2 Study Plan on March 24, 2010. Such scenario was not included in the Draft Study Plan for Phase 3 issued on April 13, 2010 and should be included.

DRA disagrees with the last sentence of the last paragraph of Section 6.1: “The location of the renewable generation rather than the corresponding decremented fossil generation is a more significant factor in determining where reliability criteria violations are likely to occur and the set of “least regret” transmission additions that will mitigate the violations.” DRA requests this sentence be deleted.

3. In Section 2.3, Grid Configuration, approval status of the third circuit to the Barren Ridge/Haskell Canyon/Renaldi planned upgrades is unclear.

CTPG states that this addition has been recently approved, but it is unclear who has provided that approval. About a week ago, DRA requested clarification on the approval process via the “Feedback” feature on the CTPG Website. At this time, no response has been received. Additionally, Table 2.2 is unclear in that it includes “Upgrades Removed”. DRA is assuming that CTPG plans to include both “Upgrades with Key Regulatory Approvals and Environmental Permits” and “Upgrades without Key Regulatory Approvals and Environmental Permits” in the analysis.

4. In Section 3.1, Reliability Criteria, the draft plan states: “In the pre-contingency state and with all facilities in-service, the Bulk Electric System (BES) shall demonstrate transient, dynamic, and voltage stability. Facility rating shall not be exceeded and uncontrolled separation shall not occur.” DRA does not find results of this basic case in the Draft Phase 2 Report.

This seems to be an important aspect of the analysis. If the BES does not exhibit these characteristics prior to the contingency runs, then the results of the contingency runs are suspect. CTPG should assure that this step is included in the Phase 3 analyses and document this step in the Phase 3 Study Report.

5. The WECC regional standard for Generator Voltage Ride Through is not defined or referenced in 3.3, Transient Stability Analysis Guidelines.

It is DRA's understanding that there is no current WECC Regional Standard for Generator Voltage Ride Through. There is a pending procedure in NERC regarding Synchronous Generators that addresses this issue but it is far from approval. This issue should not be addressed until an industry standard has been approved.

6. DRA is concerned about the peak demand number used in the cases.

In the stakeholder meeting of April 14, 2010, DRA asked for clarification of the use of the Northern 1-in-10 Peak and a co-incident Southern 1-in-2 Peak to arrive at the CEC Northern California Peak Demand shown in Table 4.2. DRA was not completely satisfied with the explanation provided by CTPG. It is still unclear why this is done. DRA is concerned that peak demand is being overstated. On page 16 of the Referenced CEC Report, the CEC states: "Statewide peaks are non-coincident; that, they are the sum of the individual coincident peak demands for each planning area in California. These individual peaks often occur at different hours of the day. Peak demands provided in this report for individual planning areas are coincident peaks." CTPG should assure that the correct peak demand is used in the analysis.

7. No reference is given for the WECC Transmission Expansion Planning & Policy Committee's (TEPPC's) 2017 economic database; described in Section 6.3, Re-Dispatch Methods.

A reference should also be provided for cited work.

8. All Fossil Generation Decrement Blocks are not included in the Plan for Phase 3 or in the Report for Phase2 and should be included.

DRA has asked that these data be included and can see no reason why they should not be. Please include in plan and report for phase 3.

9. Table 6: Must Run Units, includes only plants of LADWP, SMUD and TID.

Must Run Units for PG&E, SCE, and SDG&E should also be included. Further, Generator Code names do little good. Please provide the actual plant name. Power output and Type should also be included in Table 6.

10. DRA is concerned that closure of the "Feedback" window on the CTPG website after the review period precludes the "Openness" necessary for a stakeholder process.

This window should remain open for stakeholder feedback at any time.

If you have any questions regarding these comments, please contact Hank Pielage at hhp@cpuc.ca.gov.