

## **Bay Area Municipal Transmission Group's Comments on the Draft CTPG Phase 4 Study Plan and the Southwest Scenario Development**

**October 7, 2010**

The Bay Area Municipal Transmission Group<sup>1</sup> (BAMx) appreciates the opportunity to comment on the Draft California Transmission Planning Group (CTPG) Phase Study Plan posted on the CTPG's website on September 23, 2010 and discussed during the Stakeholder meeting on September 30, 2010. Below we include a few questions and comments based upon our initial review of the Draft Study Plan and the CTPG stakeholder meeting presentation. We hope that these comments will be addressed in the next proposed revision of the report to be posted on October 14<sup>th</sup>.

### **Southwest Scenario**

We appreciate the CTPG's efforts in undertaking efforts in Phase 4 to perform additional studies on the potential delivery of much larger amounts of out-of-state renewable energy resources into California that utilizes existing transmission infrastructure.

It is our understanding that CTPG will model this case using the same "seed" (Base) case that they used in the earlier scenarios that model certain transmission upgrades with key approvals and environmental permits. Please confirm that the Southwest Scenario will not include any of the "High" and "Medium" potential transmission projects identified by CTPG in Phase 3.

BAMx supports the use of three nearby WREZs (NV, AZ, and NM) as proxy locations of likely resource development for California imports. It is our understanding that CTPG will model the renewable resources provided by RETI at several southwest portals. If there are any reliability violations found in the Base Case as a result of increased renewable generation at these Southwest portals, in addition to suggesting more transmission, CTPG should back down the renewable imports into California so that we can determine how much renewables can be imported using the existing transmission system using the Base Case dispatch. As a next Step, CTPG should determine whether adjusting the fossil generation dispatch can increase the amount of renewable imports over existing transmission.

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<sup>1</sup> BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, and the City of Santa Clara's Silicon Valley Power

### **Net Short Input Assumptions**

CTPG has indicated that in Phase 4, it will use the same “net short” estimate used in the earlier phases for all scenarios, i.e., 52,764 GWh. We recognize the need for Phase 4 studies to be consistent with Phase 1, 2 and 3 studies with respect to the net short calculation. However, given the level of uncertainty tied to the calculation of net short, BAMx believes that CTPG needs to develop additional scenarios in the future that assume lower levels of “net short”. For example, CARB “Low Load” scenario assumes the latest “incremental efficiency” and “distributed generation” outlook, which results in a reduced net short of 36,926 GWh. We believe that this is a more realistic scenario, especially in light of the recent *California's Clean Energy Future* initiative that provides similar targets for energy efficiency and distributed generation by 2020.<sup>2</sup> A lower level of net short could result from assuming additional imports of renewable generation that utilize existing transmission and/or assuming significant amounts of Tradable Renewable Energy Credits (T-REC) and/or more State led incentive programs for Energy Efficiency, CHP, distributed renewables, and private generation.

### **Generation Re-Dispatch**

CTPG Phase 4 plan is not clear about how CTPG plans to dispatch fossil resources in the power flow cases it expects to run. This is especially true for the scenario that includes the *High Potential Transmission Elements* as well as in the *Southwest Scenario*. Until Phase 3, the CTPG utilized the 70/30 in-state/out-of-state generation re-dispatch approach for most scenarios. We suggest CTPG to deploy an “out-of-state” re-dispatch method in Phase 4 similar to the one CTPG implemented in a couple of scenarios (A-Q and B-Q) in Phase 3. Such a method would assume a WECC-wide carbon-based dispatch permitting the decrement of fossil generation across WECC based on minimizing carbon footprint for electricity production. We believe that this method is more appropriate than using the arbitrary in-state/out-of-state generation re-dispatch ratios. We encourage CTPG to have a detailed stakeholder discussion on this issue.

### **Follow-up on Phase 3**

In our prior comments we had asked CTPG to provide additional information on the *shift factor* analysis that was undertaken in Phase 3. In particular, we had requested the details on the tool, the data, the methodology and the process that was implemented to conduct the shift factor analysis. However, this information was neither included in the Final Phase 3 report nor was it provided separately. We are aware that the Phase 4 study plan envisions performing additional power flow studies to determine whether the current list of “high potential” and “medium potential” transmission upgrades should be revised. We believe that the stakeholders should have

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<sup>2</sup> See <http://www.climatechange.ca.gov/energy/index.html>.

access to all the data regarding the Phase 3 analysis that identified these “high” and “medium” potential transmission projects including the shift factor analysis, which received very little stakeholder input.

Thank you for the opportunity to comment and we look forward to continued public stakeholder participation.

If you have any questions concerning these comments, please contact Barry Flynn (888-634-7516 and [brflynn@flynnrci.com](mailto:brflynn@flynnrci.com)) or Pushkar Wagle (888-634-3339 and [pushkarwagle@flynnrci.com](mailto:pushkarwagle@flynnrci.com))