

Stakeholder Comments Template

Subject: Draft Final Straw Proposal For A Renewable Energy Transmission Planning Process

Submitted by	Company	Date Submitted
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Introduction and Summary

The Large Solar Association (“LSA”) appreciates the opportunity to comment on the CAISO’s Draft Final straw proposal for a Renewable Energy Transmission Planning Process (“RETPP”). LSA is the trade association for utility-scale solar developers in California and the Southwest.¹ Collectively, LSA members have over 6 gigawatts (“GW”) of clean, sustainable solar power under contract to California’s load-serving entities (“LSEs”). LSA member projects represent a significant portion of the state’s renewable power needs to achieve a 33% by 2020 RPS. LSA is therefore acutely aware of the need to obtain timely approval of transmission to access these and other renewable projects in the near term.

It is no secret that one of the major contingencies to the state’s renewable goals will be the timely siting, permitting and approval of new transmission. LSA therefore supports the CAISO’s goal to provide expedited approval of new transmission line projects. However, there are certain aspects of the RETPP proposal that may be counterproductive in the achievement of this goal. If too many projects are evaluated for approval in the RETPP, LSA cannot see how the CAISO will hold to the proposed RETPP schedule. Consequently, transmission projects that are most critical to the state’s renewable goals may not be approved in a timely fashion. In addition, LSA remains concerned about the California-only focus of the RETPP. It is clear that a substantial quantity of California’s renewable energy supply will come from neighboring states. A regional approach will allow for the more reliable integration of renewables. A diversity of resources from a diversity of locations will create a steady renewable energy supply with only minimal conventional resource support. For California to ensure sufficient resources to meet its

¹ LSA represents eleven of the nation’s largest developers and providers of utility-scale solar generating resources. Its members develop, own and operate various types of utility-scale solar technologies, including photovoltaic and solar thermal system designs. LSA, and its individual member companies, are leaders in the renewable energy industry, advancing solar generation technologies and advocating competitive market structures that facilitate significant integration of renewable energy throughout the western United States. LSA actively represents the interests of utility-scale solar development in California, Arizona, and Nevada, and also works to shape regional and federal policies that affect solar development.

renewable objectives reliably and at least cost, California must not only plan its own system in accordance with the growth of renewables in the region, but must play a large part in regional transmission planning. If California fails to plan for interstate transmission needs, the state's "comprehensive" transmission plan will be incomplete at best.

As detailed below, LSA urges the CAISO to: (1) more narrowly tailor the types of lines the CAISO will approve under the RETPP; (2) incentivize LGIP projects brought into the RETPP; and (3) provide more robust consideration of regional transmission projects.

Discussion

1. The CAISO Should Focus Approval Under The RETPP To Expedite RETI Phase 2A Foundation Group Transmission Lines And Feeder Lines That Provide Access To Priority Renewable Areas.

LSA supports the comprehensive focus of the Draft Final proposal. As we discussed in our prior comments, expedited approval of both backbone transmission lines and feeder lines will be necessary to fulfill the state's renewable goals. However, if the RETPP provides approval for all of the transmission projects contemplated in a comprehensive plan, it is difficult to fathom how the CAISO could complete such a massive amount of planning, stakeholder involvement, review and approval under the proposed schedule. All of these stages are necessary to create a complete and legally defensible transmission approval process. We therefore urge the CAISO to refine the criteria for projects to be considered for approval under the RETPP.

On pages 19-20, the Draft Final proposal lists the following criteria for inclusion of an LGIP project in the RETPP: "(a) LGIP Network Upgrades that are new transmission lines requiring new rights of way and are 200kV and above and have an estimated cost exceeding \$50M; (b) LGIP Network Upgrades that are new substations and are 500kV and above and have an estimated cost exceeding \$50M... In addition, LGIP upgrades already in the LGIA phase of the process will not be required to go through the RETPP." We can understand the appeal of these objective factors. However, if CAISO's purpose is to streamline the approval of projects that will access renewables by 2020, upgrade cost and project size are not by-themselves determinative of that objective. The CAISO should consider developing criteria, in coordination with the CPUC and CEC, that will consider and prioritize the generation most likely to be capable of coming on-line by 2020, including, for example, projects prioritized by the Renewable Energy Action Team ("REAT").

2. If CAISO Does Not Limit The Projects Included In The RETPP, It Should Provide Greater Incentives To Those Projects That Are Included In The RETPP

CAISO has indicated that certain projects would be moved out of the LGIP for consideration in the RETPP. See, for example, on page 10 the proposal states: "[for] this reason, as the ISO stated in the December 2 straw proposal, many LGIP related transmission upgrades would be significant enough to warrant consideration from the larger perspective of the RETPP, rather than the narrower perspective of the current LGIP." CAISO should clarify in the next version of the straw proposal the cost allocation treatment of such upgrades moved into the RETPP.

Specifically, the CAISO should clearly provide that any project moved into the RETPP will consequently be removed from the LGIP cluster and eliminate LGIA supported up-front funding. Given the network objectives served by these lines, this clarification is a reasonable reassurance in return for inevitable delays that will result from the removal of a project from LGIP and consideration of “right sizing” the project under RETPP.

3. CAISO Should Account For Regional Transmission Needs Relative To A 33% By 2020 RPS Early In The Planning Process.

In order to create a complete renewable transmission plan, the CAISO must allow for early consideration of regional transmission needs. California’s transmission grid is interconnected throughout the western states, as well as parts of Mexico and Canada. While there is vast potential for renewable development in California, areas outside of California are currently being developed to serve California load with renewable power. Planning for the transmission to serve this load would be in the best interest of California ratepayers. As we urged in our previous comments, the proposal should encourage both the export and import of renewable power by creating a transmission plan that will provide for a reliable, least-cost renewable energy supply for California and the region. Such an interregional approach is necessary to enhance both reliability and the capacity to integrate greater quantities of intermittent renewable energy. Doing so will maximize the value of clean power for California ratepayers, as well as ratepayers within the WECC. Thus, projects that serve regional needs should be considered in conjunction with California’s renewable transmission needs. Again, lack of transmission, lack of effective cost allocation methods and lack of standardized and effective operating rules are the major roadblocks to more regional renewable generation development. The California Transmission Planning Group should be incorporating such regional planning as part of its scope; regardless of whether it does so, the CAISO must consider these factors as part of the RETPP on an equal footing with Phase 1, and prior to commencing Phase 2.

As with prior versions, the Draft Final proposal still contemplates on Page 7 that regional transmission needs would be addressed in Phase 2, after a plan has already been developed in Phase 1. Consideration of regional transmission needs this late in the process is contrary to the eight planning principles identified in Order 890. One of the eight principles is regional participation. The CAISO will not be able to effectively account for regional transmission issues if those issues are considered late in the process and only considered as an alternative. Thus, the CAISO should include regional transmission development as a component of the draft plan that is developed in Phase 1. It is important that regional transmission development is not considered an alternative to in-state development, but rather as a necessary and appropriate complement to in-state development.

CONCLUSION

LSA appreciates the CAISO’s efforts and commitment to resolving the unique transmission development considerations posed by the State’s renewable energy goals. We support the CAISO’s goal to expedite approval of transmission to meet the state’s renewable goals. CAISO should revise its proposal to focus the inclusion of LGIP projects on RETI Phase 2A foundation lines and projects that will access generation projects pursuing ARRA funds. We remain

concerned about the California-only focus of the RETPP, and believe that without greater consideration of regional needs, the RETPP will be incomplete and fail to serve its objectives. LSA appreciates this opportunity to comment and would also like to thank the CAISO staff for holding a very productive workshop on January 12th.