

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate and
Refine Procurement Policies and Consider
Long- Term Procurement Plans

Rulemaking R. 13-12-010

(Filed December 19, 2013)

**COMMENTS OF THE BAY AREA MUNICIPAL TRANSMISSION GROUP
February 8, 2016 ALJ RULING ON THE ADMINISTRATIVE LAW JUDGE'S RULING
SEEKING COMMENT ON ASSUMPTIONS AND SCENARIOS FOR USE IN THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S 2016-17 TRANSMISSION
PLANNING PROCESS AND FUTURE COMMISSION PROCEEDINGS**

Joyce Kinnear
Division Manager, Joint Powers Agencies
City of Santa Clara Electric Department
1500 Warburton Avenue
Santa Clara, CA 95050
(408) 615-6656

For the
**BAY AREA MUNICIPAL TRANSMISSION
GROUP**

February 22, 2016

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In accordance with California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Bay Area Municipal Transmission Group (“BAMx”)¹ submits these comments to the Energy Division’s Proposal (“ED Proposal”), which was attached to the February 8, 2016 ALJ Ruling (“Ruling”) on the Planning Assumptions & Scenarios Update for the 2016 Long Term Procurement Plan Proceeding (“LTPP”) and the CAISO 2016–17 Transmission Planning Process (“2016-17 TPP”).

I. BAMX RESPONSES TO ALJ RULING QUESTIONS

In this section we include the specific questions posed under the ALJ Ruling and the BAMx response to each one of them separately.

Q.1 Is a high AAE trajectory, representing a doubling of AAE by 2030, as proposed, reasonable? If not, what alternative methodology or AAE adoption curve would be more reasonable and why?

BAMx supports the ALJ Ruling’s shift toward a default demand side assumption that California achieves the goals established in SB 350. Achieving a cumulative doubling of statewide,

¹ The members of BAMx are Alameda Municipal Power, City of Palo Alto Utilities, Port of Oakland, and City of Santa Clara, Silicon Valley Power.

economy-wide energy efficiency between 2015 and 2030 will significantly contribute to the state's energy efficiency plans. It is important that the state's resource planning efforts account for the achievements of this goal. The scenario that most accurately will account for the doubling goal is the Default Scenario.

Q3. How should exports be treated for modeling purposes? Should we assume no net exports?

The LTPP planning assumptions have historically been silent on the potential quantity of exports. The CAISO has, in the past, imposed a modeling constraint of “no net exports.” As the system moves forward with regionalization efforts, further work is required to establish appropriate assumptions on the potential exports in different planning futures. In the 2016 LTPP, BAMx supports the ED's assumption that California “may” export energy. BAMx agrees that the export levels should not be artificially held at “zero” in planning studies. The CAISO's 2015-16 TPP Special Study has clearly demonstrated that net exports are highly effective in addressing over-generation and in reducing the potential renewable curtailments.² The SB 350 studies currently underway assume three different levels of net exports, 2,000MW, 5,000MW and 8,000MW.³ BAMx encourages the CPUC ED to refrain from modeling a scenario with no net exports and to make decisions informed by SB350 and current CAISO studies when regarding modeling a realistic level of net exports.

Q7. Is re-using a 2015-16 CAISO TPP 33% RPS portfolio in the CAISO 2016-17 TPP study appropriate? (Staff's intent is to avoid evaluating transmission needs based on speculative resource portfolios.)

The 2015-16 CAISO TPP were based upon the earlier version of the RPS Calculator (v.5.0). The data and information used in the earlier version of the RPS Calculator is completely outdated and, therefore, inappropriate for the the CAISO 2016-17 TPP study. The versions 6.1 and 6.2 include various critical data updates including

- Updated existing and commercial project list from CPUC database;
- Updated generic renewable resource cost, performance and potential;
- New distributed generation resources;

² 50% RPS Special Study, 2015-2016 Transmission Planning Process Stakeholder Meeting February 18, 2016.

³ See Draft Renewable Portfolios for the CAISO SB 350 Study, slide # 35-36, Feb. 8th Stakeholder Meeting Presentation.

- Updated transmission cost and availability data from CAISO for the existing system, minor upgrades and major upgrades in select transmission areas;
- Updated transmission cost and availability data from CAISO for the existing system, minor upgrades and major upgrades in select transmission areas;
- Land Use Information

In addition to the above-mentioned data updates, the version 6.1/6.2 has several key functionality updates including

- A logic to allow selection of energy-only projects (along with or in lieu of fully deliverable projects);
- An optionality to allow screening of renewable potential based on a variety of environmental criteria; and
- A simple heuristic to capture impact of authorized storage resources on future renewable valuation.

Given all the updated information that is available as part of the latest versions of the RPS Calculator, using old RPS portfolios based on the outdated information would likely lead to inaccurate assessment of the need for transmission infrastructure. We are impressed with the accomplishments by the CPUC ED and its incorporation of significant stakeholder input in the updated RPS Calculator. It is a major accomplishment that took a long time. To further ignore its affects on the development of portfolios would be inappropriate. We cannot understand why one would call the results provided by this latest RPS Calculator version 6.2 as leading to “speculative” renewable portfolios. BAMx strongly encourages the CPUC to use v.6.2 to develop the 33% RPS portfolios for the CAISO TPP Study.

II. CONCLUSION

BAMx appreciates the opportunity to comment on the opportunity to comment on the ALJ’s February 8, 2016 Ruling. We urge the Commission to adopt our recommendations.

February 22, 2016

Respectfully submitted,

/s/ Joyce Kinnear

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Division Manager, Joint Powers Agencies
City of Santa Clara Electric Department
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Santa Clara, CA 95050
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