

**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)

**REPLY COMMENTS OF THE BAY AREA MUNICIPAL TRANSMISSION GROUP  
ON THE 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**

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For the  
**BAY AREA MUNICIPAL TRANSMISSION  
GROUP**

February 29, 2016

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PROCEEDINGS**

In accordance with California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Bay Area Municipal Transmission Group (“BAMx”)<sup>1</sup> submits these reply 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 (“LTTP”) and the CAISO 2016–17 Transmission Planning Process (“2016-17 TPP”). BAMx filed its Opening Comments on February 22, 2016.

**I. BAMX RESPONSES TO OTHER PARTY COMMENTS**

In this section BAMx responses to the party comments are organized by the specific questions posed under the ALJ Ruling.

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

BAMx notes that there is general agreement among all the parties that the export levels should not be artificially held at “zero” in planning studies. Similar to the BAMx’s opening comments,

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

several other parties<sup>2</sup> referred to the CAISO's 2015-16 TPP Special Study<sup>3</sup> as well as the SB 350 studies currently underway that assume three different levels of net exports, 2,000MW, 5,000MW and 8,000MW<sup>4</sup>. BAMx encourages the CPUC ED to model a realistic level of net exports informed by the current and future SB350 and CAISO TPP studies.

**Q6. Is using a default scenario based on a 43.3% Renewable Portfolio Standard (RPS) in 2026 and doubling AAEE per Senate Bill 350 by 2030 – but interpolated to a 2026 AAEE amount for 2016 LTPP purposes - reasonable?**

PG&E's opening comments recommend that the 43.3 percent RPS level default scenario be based on a WECC-wide portfolio that includes a possible mix of “fully deliverable and energy only” resources, as determined from a least-cost best-fit perspective using the RPS calculator.<sup>5</sup> BAMx agrees with PG&E that the above scenario should be studied.

The ED Proposal indicates that, unlike previous LTPP cycles, the Commission staff does not propose a trajectory scenario for the 2016 LTPP. However, the Commission staff recommends adopting a default scenario that can be used to test modeling inputs and provide information for the development of a trajectory scenario at a later date. BAMx appreciates the concept of the default scenario that is purely designed for use in comparison to other scenarios, but urges a permanent elimination of a “trajectory scenario,” which in the past has represented a scenario that forecasts the likely implementation of current energy policy. As CalWEA states:<sup>6</sup>

“A case labeled “trajectory” would fundamentally contradict the concept of least-regrets planning, as it is characterized in the CAISO tariff regarding policy-based transmission planning. The existence of a “trajectory scenario” could inappropriately lead CAISO to conduct its policy- based transmission planning around that single scenario and treat all other scenarios as simple sensitivity cases. Such a practice would not be consistent with the concept of least-regrets planning, in which each scenario is accorded equal weight and an independent transmission plan is developed for each scenario, with the

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<sup>2</sup> ORA Opening Comments, p.3, CalWEA Opening Comments, Attachment 1, p.1, Sierra Club Opening Comments, p.3, and TURN Opening Comments, p.3.

<sup>3</sup> 50% RPS Special Study, 2015-2016 Transmission Planning Process Stakeholder Meeting February 18, 2016.

<sup>4</sup> See Draft Renewable Portfolios for the CAISO SB 350 Study, slide # 35-36, Feb. 8th Stakeholder Meeting Presentation.

<sup>5</sup> PG&E Opening Comments, p.15.

<sup>6</sup> CalWEA Opening Comments, p. 4.

transmission elements of each plan that are common to all (or most) plans constituting the “least-regrets” policy-driven plan.”

Also, consistent with PG&E’s comments, BAMx does not see any rationale for applying any artificial restriction of procuring only In-State renewable resources. Currently the RPS Calculator assumes that no existing transmission is available (e.g., new transmission must always be built) to access Out-of-State (OOS) renewable projects.<sup>7</sup> Prior to evaluating new transmission, BAMx believes there needs to be better understanding among the policymakers and stakeholders regarding the level of OOS renewable resources that can be imported on the existing transmission infrastructure. There is clearly some amount that can be imported over the existing transmission system. The SB 350 study provides some insights in this regards, where it assumes that nearly 3,000 MW of external medium-quality wind and solar resources would be available over the existing transmission system at the proximity to the existing delivery points into California.<sup>8</sup> BAMx strongly encourages the CPUC ED to update the RPS Calculator version 6.2 to take into account more realistic assumptions concerning the capability of the existing system to accommodate OOS renewable resources.

**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.)**

In our opening comments, BAMx opposed the re-use of a 2015-16 CAISO TPP 33% RPS portfolio in the CAISO 2016-17 TPP study. Instead, BAMx encouraged the CPUC to use v.6.2 to develop the 33% RPS portfolios for the CAISO TPP Study. Both SCE and SDG&E have also opposed re-using the 2015-16 CAISO TPP 33% RPS portfolio, and they have instead suggested increasing amount beyond the 33% RPS portfolio (e.g. 44%) in 2026.<sup>9</sup> Presumably both SCE and SDG&E recommend the use of the latest version of the RPS Calculator (version 6.2) to develop such a RPS portfolio, which is consistent with the BAMx’s recommendation. To our understanding, both SCE and SDG&E are not suggesting limiting the added renewables to only

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<sup>7</sup> RPS Calculator User Guide, Version 6.1, p. B-25, August 20 2015.

<sup>8</sup> Draft Renewable Portfolios for CAISO SB 350 Study, slide #23, CAISO Public Workshop, February 8, 2016.

<sup>9</sup> SCE Opening Comments, p.7 and SDG&E Opening Comments, p. 8-9.

Full Capacity Deliverability Status (FCDS) service. It would not make sense to ignore the improvements to the calculator that allow an economic assessment to determine whether it makes more sense to acquire energy only or FCDS renewable generation.

Certainly, BAMx support of increasing the RPS amount to 43.3% (on path to 50% by 2030) is based upon the assumption that the latest improvements as provided in version 6.2 are used to determine a possible mix of “fully deliverable and energy only” resources from a least-cost best-fit perspective. Such a portfolio that is based upon an economic determination for selecting full capacity versus energy only resources adequately addresses the CPUC ED’s concern for triggering significant transmission expansion investments to access increased renewable resources.<sup>10</sup>

BAMx does not share the CPUC ED’s other concern that such a portfolio might not support currently approved transmission projects that will be needed to reach 50% RPS goals. The latest version of the calculator ensures that an appropriate selection is made for new transmission. As BAMx indicated in its opening comments, the CAISO’s 2016-17 TPP analysis should not rely on the outdated information that have led to the past RPS portfolios. If the 2016-17 renewable portfolio forces the CAISO to reexamine previously approved transmission investment decisions, then that exercise would be consistent with the basic principles of the least regrets transmission planning process.

## **II. CONCLUSION**

BAMx appreciates the opportunity to submit reply comments on the ALJ’s February 8, 2016 Ruling. We urge the Commission to consider our recommendations favorably.

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<sup>10</sup> ALJ Ruling, February 8, 2016, Attachment 1, p.54.

February 29, 2016

Respectfully submitted,

/s/ Joyce Kinnear

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For the  
**BAY AREA MUNICIPAL TRANSMISSION  
GROUP**

VERIFICATION

I, Joyce Kinnear, am Division Manager, Joint Powers Agencies at the City of Santa Clara Electric Department. I am authorized to make this Verification on its behalf. I declare that the statements in the foregoing copy of *Reply Comments of the Bay Area Municipal Transmission Group on the February 8, 2016 ALJ Ruling* are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 29, 2016 at Santa Clara, California.

/s/ Joyce Kinnear

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