

**BAMX Comments on the CAISO 2017-18 Transmission Plan Stakeholder  
Presentation Materials from November 16, 2017**

The Bay Area Municipal Transmission group (BAMx)<sup>1</sup> appreciates the opportunity to comment on the development of the CAISO 2017-18 Transmission Plan (TP) during the November 16<sup>th</sup> stakeholder meeting. We request that the CAISO address these issues in its draft comprehensive Transmission Plan expected in January 2018.

**Review of Previously Approved Transmission Projects**

In general, BAMx is very pleased with the diligence that the CAISO has demonstrated in its review of both previously approved projects and new projects proposed by the Participating Transmission Owners (PTOs) and favoring the more cost effective solutions to the identified violations. The twelve (12) under \$50 million projects for which it has been identified that no mitigation is needed represents a reduction in capital expenditures of \$405 million to \$626 million as shown in Table 1.

BAMx observes the unprecedented nature of the forecast for decreasing loads as indicated in the forecast of this year's TPP loads. And that based upon the passage of SB350 and AB 802, along with increasing distributed PV, we expect that decreasing trend to build momentum. BAMx supports the CAISO utilizing an analytic method that seeks to capture such impacts in its evaluation of future transmission needs. In particular, BAMx supports the CAISO's analytic method used to evaluate the Gates-Gregg 230 kV project whereby initial assumptions favorable to the transmission project were tested to assess project viability. BAMx supports the CAISO's consideration to cancel the Gates-Gregg 230 kV project in the ISO 2017-2018 TPP based upon lack of sufficient economic benefits. Such cancellations will also help in restricting the accumulation of Allowance for Funds Used During Construction (AFUDC) for unneeded projects.

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<sup>1</sup> BAMx consists of City of Palo Alto Utilities and City of Santa Clara, Silicon Valley Power.

**Table 1: Projects Recommended for Cancellation**

*Table 1A: Projects Recommended for Cancellation Without Any Further CAISO Action*

Project Name	Area	Capital Cost Estimate (M\$)*		
		Range	Low	High
Los Esteros-Montague 115 kV Substation Equipment Upgrade	Greater Bay Area	\$0.5-\$1	\$1	\$1
Evergreen-Mabury Conversion to 115 kV	Greater Bay Area	\$30-\$40	\$30	\$40
Glenn #1 60 kV Reconductoring	North Valley	\$5-\$10	\$5	\$10
Napa – Tulucay No. 1 60 kV Line Upgrades	North Coast / North Bay	\$5-\$10	\$5	\$10
Ashlan - Gregg and Ashlan - Herndon 230 kV Line Reconductor	Fresno	\$20-\$70	\$20	\$70
Caruthers - Kingsburg 70 kV Line Reconductor	Fresno	\$10-\$20	\$10	\$20
Kearney - Caruthers 70 kV Line Reconductor	Fresno	\$10-\$20	\$10	\$20
Reedley 115/70 kV Transformer No. 2 Replacement Project	Fresno	\$10-\$15	\$10	\$15
Mission-Penasquitos	San Diego	\$25-\$30	\$25	\$30
		<b>Sub-Total</b>	<b>\$116</b>	<b>\$216</b>

*Table 1B: Projects Recommended for Cancellation with Further Action Not Requiring CAISO Approval*

Project Name	Area	Capital Cost Estimate (M\$)*		
		Range	Low	High
Stagg – Hammer 60 kV Line	Central Valley	\$10-\$20	\$10	\$20
Rio Oso – Atlantic 230 kV Line Project	Central Valley	\$200-\$300	\$200	\$300
Table Mountain-Sycamore	North Valley	\$80-\$90	\$80	\$90
		<b>Sub-Total</b>	<b>\$290</b>	<b>\$410</b>
		<b>Total Recommended for Cancellation</b>	<b>\$406</b>	<b>\$626</b>

\* Source: AB 970: Utility Quarterly Compliance Report Regarding Status of Transmission Projects and Generation Interconnection Projects

### **Development of 30-Minute Emergency Rating on Suncrest Banks #80 and #81**

The outages causing overloads on the Suncrest Banks are P6 type outages that are low probability events. The 136 percent overload identified was for the Summer Peak 2019 case and seems to be trending downwards to 134.2 percent in 2027 Summer Peak. CAISO support for the development of a short-term Emergency Rating for Suncrest banks is a cost-effective solution to such situations. Building upon this approach, BAMx members would like to see short-term ratings to be identified as possible alternatives in evaluating other transformer thermal overload issues identified during the Transmission Planning Process.

### **Phasor Measurement Units Installation Initiative**

The CAISO has presented information identifying the need for Phasor Measurement Units (PMUs) to be installed at all interties at the balancing authority area to provide more precision regarding the system's net actual interchange after a frequency disturbance event. BAMx understands CAISO's need to have a greater visibility into the frequency deviations in order to stay compliant with NERC BAL-003-1.1. The CAISO also provided a high-level estimate of 50 PMU's that will be installed as part of this initiative with a per-unit cost of \$30,000 per installation. The cost of this initiative sums up to approximately \$1.5 Million. This is a positive development and such information gathering devices are likely to provide valuable information. Are there plans for coordination or data sharing with the parties to which the CAISO is interconnected. If so, are there any plans for cost sharing on the implementation of the PMU devices?

### **New Projects Recommended for Approval**

BAMx has no further comments at this time on the 2017-2018 TPP projects recommendations. However, we may choose to comment on them once we have more information on them as part of the Draft Transmission Plan.

### **Economic Planning-Preliminary Results of Congestion and Economic Assessments**

While detailed production cost simulations and economic analyses have not yet been performed, if the CAISO decides to perform an economic assessment for the CAISO tie-lines and new projects such as, the Bob SS (VEA)-Mead S 230 kV line, more information should be provided concerning the historic congestion on the paths such as Path 24, Path 52, Path 46 (or West of Colorado River) and Path 58. If the CAISO expects an increase in future congestion, rationales for such increases should be thoroughly explained. For instance, it would be important to have some idea about how much energy has been historically imported at Eldorado and how much it would increase going forward based upon the assumptions made in the CAISO's production cost database.

## **Conclusion**

BAMx appreciates the opportunity to comment on the 2017-18 Transmission Plan Stakeholder Meeting materials and acknowledges the significant effort of the CAISO staff to both develop this material and to adjust its planning process to reflect the numerous changes affecting the industry.

If you have any questions concerning these comments, please contact Kathleen Hughes ([khughes@SantaClaraCA.gov](mailto:khughes@SantaClaraCA.gov) or (408) 615-6656).