



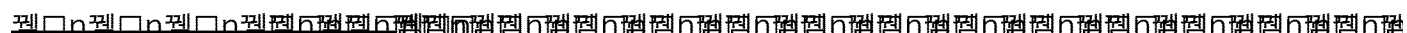
the TPP. But such cooperation should not be a substitute for a quality stakeholder process. BAMx is concerned that the process as outlined is insufficient to fully involve stakeholders. In particular, the proposed schedule<sup>2</sup> does not allow the parties and stakeholders opportunity for adequately responding to the issues raised in the Comments and Reply Comments. From the perspective of BAMx the process for developing these portfolios has changed over the last few years. Originally, it was a CAISO focused stakeholder process. Gradually, input from the CEC and CPUC has appeared to play a more significant role while opportunities for meaningful stakeholder input as failed to meet the need. As demonstrated in the next sections, we have not obtained meaningful responses to the questions that we raised at the December 18 workshop. This shift from a CAISO dominated process to one intimately involving the CEC and CPUC is a positive development only if it includes a formal, transparent stakeholder process. We therefore request that the current proposed schedule be expanded to include the following two milestones between the ALJ Ruling on the LTPP proceeding seeking comments on 12/18 workshop and the Reply comments on ALJ Ruling.

- Written responses from the CPUC ED to the party/stakeholder comments.
- A stakeholder meeting/call to discuss the party/stakeholder comments and the CPUC ED responses.

## **2. The State Goal to Meet 33% RPS is an Energy Requirement and Not One of Resource Adequacy Capacity**

During the December 18 workshop, the CPUC staff indicated that they have assumed transmission projects identified by the CAISO to be needed “only” to provide resource adequacy (RA) based upon a strict set of deliverability criteria. The CPUC ED staff has not provided any justification to model these delivery network upgrades that are not determined to meet the State’s 33% “energy” goal by 2020 without any cost-benefit analysis.

BAMx believes that the CPUC ED should not assume the need for transmission projects make renewable resources fully deliverable to meet their RA obligations in the development of the Renewable Portfolios for several reasons. First, there is no State policy to prioritize Resource Adequacy acquisition from renewable generation as needed to meet the RPS. BAMx has consistently questioned relying on new renewable resources to meet the State’s system resource adequacy needs. Second, as indicated by the CPUC, there is no immediate need for new system

  
<sup>2</sup> 1/8/14 – Comments due on ALJ Ruling  
1/15/14 – Reply comments due on ALJ Ruling  
1/27/14 – CPUC, CEC, and CAISO complete final review of Planning Assumptions, Scenarios, and RPS portfolios  
1/31/14 – Expected Assigned Commissioner’s Ruling adopting the proposal  
2/7/14 – CPUC and CEC jointly submit RPS Portfolios to CAISO





The general perception that a cost-constrained scenario and the commercial interest scenario have similar costs is simply not accurate. BAMx has used the CPUC's 33% RPS model to develop the cost-constrained scenario and found that, in addition to obviating the need for additional transmission in the Kramer CREZ, a cost-constrained scenario would reduce total annual costs by \$217 million. These differences are significant.

In sum, the CEC and CPUC must reinstate both, the cost-constrained and environmentally-constrained scenarios. Since those Agencies have major responsibilities to protect the environment and to manage ratepayer impact, it seems incongruent that those agencies would ignore these important criteria in deciding how to meet our renewable goals. The need for consistency in following their own criteria, as demonstrated below, requires it. The state agencies should require a cost-constrained scenario to undertake their respective responsibilities to ensure reasonable rates. Moreover, stakeholders are entitled to accurate and transparent information on the cost- and environmental consequences of different alternatives, which cannot be determined in the absence of a cost-constrained or an environmental impact baseline.

#### **4. Currently Proposed RPS Portfolios Are Not Consistent with the CPUC's Guiding Principles**

One of the guiding principles for the CPUC renewable portfolios is that the resource portfolios should be substantially unique from each other. Three out of four proposed portfolios are based on the Trajectory (Commercial Interest) scenarios. They differ only with respect to the assumed load and Energy Efficiency (EE) projections. Purely changing load and EE projections, as the CPUC staff has proposed, does not fulfill that uniqueness requirement. Such scenarios might be helpful for performing operational flexibility studies, where the objective is to estimate the amount and type of operational flexible resources needed given the variability and uncertainty of renewable resources and load. The limitation for even this purpose seems unclear. However, the proposed "Trajectory" scenarios based purely on one single criterion, i.e., commercial interest, are highly unlikely to provide significantly different results in the CAISO's transmission planning process, where the future need for transmission infrastructure is determined. Though such scenarios may be of value in assessing flexible resource needs, they are not very enlightening when considering alternative transmission network upgrades to access renewable generation. It is important to recognize that sometimes specific needs trump the need for consistency. The CPUC ED had followed this principle for the case of the Renewable Portfolios provided as an input into the 2013-14 TPP. We encourage them to do the same in the 2014 CPUC LTPP and 2014-15 CAISO TPP cycles, where the Renewable Portfolios used in the operational flexibility studies differ from those modeled in the CAISO TPP.

## 5. Additional Questions

Below we list a few technical questions on the CPUC Staff's December 18 workshop presentation. We urge the CPUC ED to provide written responses to these questions.

1. The Renewable Net Short Calculation (GWh) By Portfolio table (slide #14 of the December 18 workshop presentation) indicates that the annual out-of-state renewable generation is assumed to be 10,639GWh. However, the last year's portfolios assumed this amount of be 12,600GWh. Please provide a rationale for this nearly 2,000GWh of reduction in the value assumed for out-of-state renewable generation.
2. Please explain why the discounted core generating capacity modeled in the last year, i.e., 10,383MW has been reduced to 9,103MW (slide #15 of the December 18 workshop presentation). Should it be interpreted that nearly 1,280MW of additional renewable capacity has become operational since the last year?

BAMx appreciates the opportunity to comment on the development of Renewable Portfolios for the CAISO 2014/2015 Transmission Plan and acknowledges the significant effort of CPUC, CEC and the CAISO staff to develop the proposed portfolios.

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