

California Community Choice Association

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Contact

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1. Please provide your organization's comments on the ISO's proposed recommendation regarding the Southwest Intertie Project – North.

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the California Independent System Operator's (ISO) proposed recommendation regarding the Southwest Intertie Project (SWIP) North transmission project. CalCCA supports the ISO's exploration of opportunities to partner with other regions on potential transmission solutions to bring renewable resources to California while reducing overall project costs to California ratepayers.

CalCCA generally supports the ISO's proposed recommendation to approve the assumption of the SWIP North transmission line as a joint regional policy-driven project, combined with entitlements on the ON transmission line, conditioned upon actions taken by Idaho Power Company (Idaho Power), Great Basin Transmission, LLC, (Great Basin) and the Federal Energy Regulatory Commission (FERC). The ISO must, however, provide transparency around maximum import capability (MIC) availability and the project development process, so that potential off-takers for the generation have the information necessary to make informed procurement decisions that result in the import of out-of-state (OOS) renewables.

MIC Availability

The availability of MIC is critical for meeting a variety of load-serving entity (LSE) compliance obligations. Both Resource Adequacy (RA) and Integrated Resource Plan (IRP) procurement obligations require LSEs to obtain MIC for the portions of their obligations being met by OOS resources. It will be very difficult for LSEs to invest in the development of new OOS resources necessary to satisfy the variety of requirements (Renewable Portfolio Standard, clean energy, IRP, and RA) with significant uncertainty that those resources will count due to the lack of MIC both short and long-term.

The ability to obtain MIC creates more uncertainty and adds a significant risk of contracting with OOS resources. Unlike full capacity deliverability status provided to in-state resources, MIC is not tied to individual resources and is limited in its ability to be reserved in advance at needed locations. Counterparties also often need to sign agreements with OOS resources before MIC status is known, risking stranding RA capacity that is paid for but cannot be used for compliance.

Given these risks, the ISO must provide enhanced transparency through written documentation around how the proposed assumption of the SWIP North transmission line will enable MIC expansions to facilitate the delivery of OOS resources that would be imported on the SWIP North transmission line. This should include the intertie points MIC would need to be increased to support the import of OOS resources from SWIP North, how much existing and incremental MIC will be available at those intertie points before and after SWIP North becomes operational, and when such MIC will be available. Including this information is essential to providing off-takers line-of-sight on generation project viability of resources that are critical to meeting California's climate and reliability goals.

Project Development Process

The ISO should also publicly provide clear timelines, status updates, and decision points on a regular basis to stakeholders to apprise suppliers and potential buyers of information needed for them to make development and procurement decisions. The ISO's approval of the project is conditional on many steps that must be taken by multiple entities (e.g., Idaho Power filing and receiving approval from the Idaho Public Utilities Commission; Great Basin applying to become a Participating Transmission Owner (PTO); and FERC accepting Great Basin's tariff filing and rate structure). The development of the project itself will then be subject to many factors that will impact the project's costs, development timelines, approvals, etc. Given these factors, the ISO should host

regular check-ins with stakeholders to allow suppliers and potential buyers to receive updates and ask questions.

2. Please provide your organization's comments on the proposed cost sharing with Idaho Power.

The ISO's proposed cost-sharing with Idaho Power appears to ensure the costs funded by the ISO and Idaho Power amount to each entity's proportional share of the entitlements they each receive on the SWIP North and ON transmission lines. CalCCA supports this approach. Given the project would not be subject to competitive solicitation, however, the ISO should ensure cost containment measures are in place within the ISO's agreement with the PTO and make those measures transparent to the extent possible.

3. Please provide any additional comments on the November 7th, 2023 Stakeholder Call discussion.

CalCCA has no additional comments on the November 7, 2023, stakeholder call discussion.