In the matter of,	)	Docket No. 14-IEP-1C
	)	
2014 Integrated Energy Policy Report Update (2014 IEPR Update)	)	WORKSHOP
	)	RE: Integrating Environmental Information in Renewable Energy Planning Processes
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	)	

COMMENTS OF THE IMPERIAL IRRIGATION DISTRICT TO THE CALIFORNIA ENERGY COMMISSION WORKSHOP ON INTEGRATING ENVIRONMENTAL INFORMATION IN RENEWABLE ENERGY PLANNING PROCESSES

I. INTRODUCTION

The Imperial Irrigation District (IID) appreciates the opportunity to provide comments to the California Energy Commission (CEC) Workshop on Integrating Environmental Information in Renewable Energy Planning Processes that was held on August 5, 2014.

As a public agency providing power and irrigation services to the Imperial Valley, IID has a strong interest in promoting the development of renewable energy in the region. The development of the renewable energy industry in Imperial County will provide economic development and jobs to a region of California that is in desperate need and could also provide a source of funding for Salton Sea environmental mitigation. IID has entered into a Memorandum of Understanding with Imperial County that outlines specific steps to implement the Salton Sea Restoration and Renewable Initiative. This initiative includes an assessment of the potential for renewable energy development near the Salton Sea and expected revenues from such development that could be applied to Salton Sea environmental mitigation.

The Imperial Valley is host to a vast array of renewable resources, including approximately 29,000 MWs of solar potential, 11,000 MWs of wind potential and 2500 MWs of geothermal potential.[1] Tapping into the Imperial Valley's renewable resources will assist the State in meeting its GHG and RPS goals and, in conjunction with transmission development, provide replacement generation for SONGS, OTC and coal-fired generation retirements.

II. IID IS MAKING SIGNIFICANT INVESTMENTS IN TRANSMISSION INFRASTRUCTURE TO ENHANCE THE EXPORT CAPABILITY OF IMPERIAL VALLEY RENEWABLES.

For more than 20 years IID has been at the forefront of the export of renewable energy from the Imperial Valley to serve California energy consumers. IID currently exports approximately 600 MW of geothermal energy from the Imperial Valley to CAISO. IID continues to develop new transmission projects to facilitate the delivery of Imperial Valley renewables. These projects include:

- **Path 42 Reconductoring** – This is a joint project with Southern California Edison to re-conductor Path 42 between the IID BAA and CAISO. The re-conductoring project will increase the ability to export generation from the Imperial Valley into the CAISO by approximately 1000 MW.

- **Imperial Valley Policy-Driven Element** – IID was selected as an Approved Project Sponsor for the Imperial Valley Policy-Driven Element by the CAISO. As the Approved Project Sponsor, IID will permit, engineer, procure and construct the Project, which is made up of: (1) a 230 kV Collector Station, initially configured for a two (2)-bay double-breaker, double-bus substation configuration. (While the initial

[1] http://www.ivedc.com/target-industry-sectors/renewable-energy/

configuration anticipates the two (2)-bay double-breaker, double-bus substation configuration, the facilities will be prepared to ultimately accommodate a six (6)-bay breaker-and-a-half substation configuration for up to twelve (12) lines/transformers.); and (2) a 1.34 mile full double-circuit 230 kV transmission line, with one side strung from the new Collector Station to the IV Sub. IID further intends to turn the Project over to the ISO's operational control, requiring IID to enter into a Transmission Control Agreement with the CAISO and to become a partial Participating Transmission Owner with respect to the subject facilities. These facilities will facilitate the interconnection of renewable energy generators in proximity to the Imperial Valley Substation in an efficient manner with minimal environmental and agricultural land impacts.

- **Hassyampa-North Gila 2 Project –** IID has recently entered into a Participation Agreement with Arizona Public Service to construct and jointly own a second 500 kV transmission line from the Hassyampa Substation to the North Gila Substation near Yuma, AZ. This transmission project will provide increased reliability for the transmission grid in Southern California and Arizona. It will also provide additional transmission to deliver Imperial Valley renewables to major market hubs in Arizona.

- **Strategic Transmission Expansion Plan (STEP)** – STEP is a joint transmission project that has been proposed by IID and Regenerate Power that consists of two primary transmission elements: (1) a High Voltage DC Line from a proposed Hoober Substation in the Imperial Valley to a substation electronically proximate to the San Onofre Nuclear Generating Station ("SONGS") Substation.; and (2) a High Voltage AC Loop that may be configured to connect the Imperial Valley Substation, Highline Substation and Hoober Substations. The DC Line would be placed under the operational control of the CAISO, while the AC Line would be within

the IID BAA. The two transmission elements are part of a coordinated transmission plan of service designed to export renewable resources from the Imperial Valley to the CAISO and Arizona.

In addition, other actions being taken by IID to promote the development of Imperial Valley renewables in order to assist the state in meeting its Renewable Portfolio Standard (RPS) and Greenhouse Gas (GHG) goals include:

- IID's Implementation of an economic development transmission rate for solar generators.

- IID is working with SCPPA and its members to explore the potential for development of a geothermal generation project near the Salton Sea.

These projects, along with the Salton Sea Restoration and Renewable Energy Initiative, provide a clear demonstration of IID's continued commitment to develop renewable resources in the Imperial Valley to foster economic growth, create jobs and provide a means to assist Salton Sea mitigation efforts.

III. IMPERIAL VALLEY RESOURCES INTERCONNECTING TO IID'S TRANSMISSION SYSTEM ARE STILL FACING A COMPETITIVE DISADVANTAGE IN OBTAINING PURCHASE POWER AGREEMENTS FROM CAISO LSEs.

A significant obstacle faces renewable generation developers in the Imperial Valley that are interconnecting to IID's transmission system and seeking to deliver energy to LSEs in the CASIO. For several years, IID has been working with the California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), renewable generators and other stakeholders to address the limited deliverability assigned to the IID Balancing Authority Area (BAA). The failure of the CAISO to assign adequate deliverability to imports from the IID BAA has hindered the ability of renewable generators connecting to IID's transmission system from obtaining purchase power agreements (PPA) through the Investor-owned Utilities (IOUs) request

for offer procurement process. Since these generators are not assigned any deliverability, they do not qualify for Resource Adequacy (RA) counting purposes. The Maximum Import Capability (MIC) that is used for RA counting purposes is based upon deliverability studies and a methodology developed by the CAISO to set MIC at interties between CAISO and neighboring BAAs. IID submits that this RA counting methodology and MIC calculations are artificial conventions that should be revisited in light of the need for the State to meet its Renewable Portfolio Standard (RPS) and Greenhouse Gas (GHG) goals. This is especially true when an entire region of California that has vast renewable potential and one of the most impoverished economies in the State is effectively being excluded from developing renewables to help meet RPS targets and GHG goals.

IID has worked with the CPUC and CAISO in recent years to address this barrier to Imperial Valley renewables. One of the results of this collaborative effort was the Assigned Commissioner Ruling of Commissioner Ferron that directed the IOUs to utilize a MIC of 1400 MW for imports from the IID BAA when evaluating project bids during its 2011 RPS solicitation.[2] However, generators interconnecting to the IID BA are still having difficulty in successfully obtaining a PPA with CAISO LSEs.

In a recent CAISO stakeholder proceeding on *Imperial Valley Consultation – Current Resource Deliverability Capabilities from Imperial Valley*, the CAISO issued a draft discussion paper and held a stakeholder meeting on the discussion paper. It appears as though the CAISO methodology is "taking off the top" resources that are connected electrically adjacent to the CAISO BAA, thus reducing IID BA deliverability. This methodology raises questions on how the methodology can treat resources that are electrically similar, and in some case virtually identical, in a discriminatory manner. IIID submits that it is inconsistent with a sustainable deliverability policy that generation interconnection to one BAA should be allowed to degrade the deliverability of another BAA. The electrical flows created by these resources are similar, if not identical, and discriminatory treatment highlights fundamental flaws in the methodology itself.

IID urges the CEC, CPUC and CAISO to work with IID and other stakeholders to revise the policy that has led to methodology for calculating MIC that appears to treating

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[2] Commissioner Ferron ACR, June 7, 2011.

similar resources in a discriminatory manner due to the calculation of MIC that limits deliverability from the IID BAA.

IV. CONCLUSION

IID appreciates the opportunity to provide these comments to the California Energy Commission Workshop on Integrating Environmental Information in Renewable Energy Planning Processes. IID has long been committed to the development of renewable resources in the Imperial Valley as a means to bring economic development and jobs to the Imperial County. The Salton Sea Restoration and Renewable Energy Initiative will explore the potential for the further development of renewable resources near the Salton Sea to provide additional resources to assist the Salton Sea restoration. However, in order for Imperial Valley renewable resources to be placed on an equal footing with generation from other regions, a solution to the CAISO's assignment of maximum import capability and deliverability from the IID BAA must be addressed. This is a critical issue that must be resolved in order to realize the full potential of Imperial Valley renewables.

Respectfully submitted,

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