

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning Framework  
and to Coordinate and Refine Long-Term  
Procurement Planning Requirements

R.16-02-007  
(Filed February 11, 2016)

**COMMENTS OF SOUTHWESTERN POWER GROUP II, LLC  
ON ADMINISTRATIVE LAW JUDGE'S PROPOSED DECISION ON ADOPTING  
PREFERRED SYSTEM PORTFOLIO FOR 2017-2018 INTEGRATED  
RESOURCE PLANNING CYCLE**

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April 8, 2019

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Pursuant to Rule 14.3 of the California Public Utilities Commission’s (Commission or CPUC) Rules of Practice and Procedure, SouthWestern Power Group II, LLC (“SWPG”) hereby submits select comments on Administrative Law Judge (ALJ) Julie A. Fitch’s March 18, 2019 Proposed Decision (PD) in the above-captioned proceeding adopting the Preferred System Portfolio (PSP) for the 2017-2018 Integrated Resource Planning (IRP) cycle.

**I. COMMENTS**

SWPG commends the Commission for the monumental effort and successful compilation of a PSP for the first complete IRP cycle. SWPG supports the Commission’s PSP and suggested policy-driven sensitivity cases. The PSP is responsive to stakeholder concerns that the staff-developed Hybrid Conforming Plan did not aggressively pursue mandated carbon reductions. Studying the policy cases will begin a concerted effort to address the possible needs associated with greater carbon reduction build outs and will determine transmission impacts of out-of-state wind, such as the New Mexico wind that certain Load Serving Entities (LSEs) specified in their plans.

SWPG also commends the Commission for taking this IRP cycle seriously and for seeing the IRP as an important progression platform for meeting California’s renewable goals. The PD specifically acknowledges that this first IRP cycle is not just a trial run:

[W]e begin by stating affirmatively that we view the IRP proceeding as more than just an advisory planning exercise. ... Just because procurement has not been ordered during the first cycle should not be interpreted to mean that procurement need not be identified nor that procurement will never be required out of this docket or subsequent IRP proceedings.<sup>1</sup>

While SWPG’s business is focused on the development of transmission to deliver high-quality wind renewable energy from New Mexico to California and other western states, and while SWPG has been successful at striking energy contracts with LSEs through its partner Pattern Energy Group 2 LLC (Pattern) without the CPUC yet ordering procurement under the IRP, SWPG is nevertheless encouraged by the Commission’s resolve that the IRP will directly impact the CAISO’s transmission planning and may trigger procurement directives from the Commission.

SWPG strongly encourages the Commission to apply this level of resolve regarding the importance of the policy sensitivity cases it has passed to the CAISO. It is somewhat concerning that the PD does not have same determination that the results of the CAISO’s study of the policy sensitivity cases should produce findings that are more than strictly advisory. Indeed, the PD suggests that the policy-driven sensitivity cases are not likely to result in near-term transmission investment<sup>2</sup> and that near-term investments are avoidable.<sup>3</sup>

SWPG is not advocating for CAISO funding of its New Mexico transmission project. However, it is very likely—considering LSE procurement to date and expected procurement in the

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<sup>1</sup> PD, p. 128.

<sup>2</sup> PD, pp. 117-118.

<sup>3</sup> The PD notes (at p. 118): “[I]t’s appropriate to study these [policy-driven sensitivity projects] now, to better inform future planning efforts without incurring significant investments now.”

short run—that New Mexico wind energy will be delivered to the CAISO’s border beginning in the next few years. If the CAISO grid is not prepared to receive imported wind energy from the out-of-state wind portfolios, there will be detrimental economic impacts to the energy portfolio needs of the LSEs who have chosen, or will choose, to contract with such resources. SWPG urges the Commission to anticipate that the policy-driven sensitivity cases associated with out-of-state wind may yield critical information about CAISO footprint upgrades needed to support the import of the wind portfolio, irrespective of whether the Commission or the CAISO chooses to take any action regarding the out-of-state portions of the delivery path for the portfolios.

## **II. CONCLUSION**

SWPG thanks the Commission for considering these comments in support of the possible beneficial impacts of the IRP process and, in particular, for considering the findings of the out-of-state wind policy sensitivity scenario (Case C) as offering information regarding opportunities for near-term action with respect to CAISO grid import enhancements.

Respectfully Submitted,



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