

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

In the Matter of the Application of DCR
TRANSMISSION, LLC for a Certificate of
Public Convenience and Necessity for the Ten
West Link Project.

Application 16-10-012
Filed October 12, 2016

**OPENING COMMENTS ON PROPOSED DECISION GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY FOR THE TEN WEST LINK PROJECT
OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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Dated: October 21, 2021

Table of Contents

I.	Introduction.....	1
II.	Discussion	1
A.	The PD Correctly Finds the Proposed Project Cost-Effective.....	1
B.	The Commission Should Make Minor Corrections to the PD.....	2
III.	Conclusion	2

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I. Introduction

The California Independent System Operator Corporation (CAISO) provides opening comments on the proposed *Decision Granting DCR Transmission, LLC a Certificate of Public Convenience and Necessity for the Ten West Link Project* (PD). The CAISO supports the PD and recommends the Commission grant DCR Transmission, LLC's application for certificate of public convenience and necessity (CPCN) to construct the Ten West Link Transmission Line Project (Proposed Project). The CAISO also provides minor proposed corrections to the PD in Attachment A.

II. Discussion

A. The PD Correctly Finds the Proposed Project Cost-Effective.

The PD finds the Proposed Project is cost-effective. To support this finding, the PD primarily relies on the CAISO's production cost modeling and capacity benefits analysis, which has consistently indicated that the Proposed Project provides economic benefits in excess of its costs. The PD correctly notes that "the CAISO's original and updated economic evaluations are reliable in determining the necessity and cost-effectiveness of the Proposed Project." The CAISO strongly supports the PD's findings and conclusions of law regarding the cost-effectiveness of the Proposed Project.

B. The Commission Should Make Minor Corrections to the PD.

The CAISO provides minor corrections to the PD in Attachment A. The CAISO's proposed corrections do not materially change the PD's analysis or conclusions.

III. Conclusion

The CAISO recommends the Commission approve the Proposed Decision as expeditiously as possible.

Respectfully submitted

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Attachment A

CAISO Proposed Revisions

Page 24:

5.1.1. The CAISO's Framework for the Computation of Potential Energy Benefits

Based on the CAISO's Transmission Economic Analysis Methodology (TEAM), the CAISO ran two different PCM scenarios: 1) Baseline Scenario and 2) Sensitivity Scenario with updated natural gas and carbon prices ~~in 2014~~. The baseline scenario shows a total of \$33.6 million in production cost benefits annually. The sensitivity analysis, using higher natural gas prices in California compared to decreased natural gas prices in other states, increased production cost benefits to \$46.6 million annually.

Page 73, Finding of Fact No. 5:

5. In ~~2014~~ **its updated analysis prepared for this proceeding**, based on the TEAM approach, the CAISO ran two different PCM scenarios: 1) Baseline Scenario and 2) Sensitivity Scenario with updated natural gas and carbon prices.

Page 74, Finding of Fact No. 7:

7. The production cost benefit for the Proposed Project includes three benefits to CAISO ratepayer: consumer energy cost decreases; increased LSE-owned generation revenues; and increased transmission congestion revenues. Based on these findings, the CAISO Board approved the Proposed Project in its 2013-2014 TPP **and confirmed the continuing economic benefits of the Proposed Project in this proceeding**.

Page 74, Finding of Fact No. 8:

8. The CAISO's ~~2013-2014~~ **updated** economic evaluation projected the BCR for the Proposed Project to range from 1.16 to 1.54 in the baseline analysis using the avoided cost of battery storage to quantify capacity benefits. In the higher gas price sensitivity, the range of BCR increased from 1.48 to 1.89 using the same avoided cost of battery storage to quantify capacity benefits. Using the locational renewable cost savings to calculate capacity benefits, the CAISO projected the BCR to range from 1.00 to 1.56.