

**COMMENTS OF EAGLE CREST ENERGY COMPANY, INC.  
ON INITIAL STUDY REPORT FOR THE  
2010 STATEWIDE CONCEPTUAL TRANSMISSION PLAN TO REACH A 33% RPS**

Eagle Crest Energy Company (ECE) appreciates the opportunity to comment on “2010 Phase 1 CTPG 2020 Study Report -Draft” (“Report”), the CTPG’s January 13<sup>th</sup> initial statewide conceptual transmission plan to meet a 33% Renewable Portfolio Standard (RPS).

The Report will be refined and enhanced, as additional scenarios are added in two more rounds of analysis. The final CTPG Conceptual Plan would constitute Phase 1 of the CAISO’s proposed Renewable Energy Transmission Planning Process (RETPP).

ECE is developing a 1300 MW pumped storage hydroelectric project in southern California, near Desert Center. This project would provide the CAISO with a valuable tool to manage the impact of integrating 33% renewable energy into reliable operations, and we are planning to submit our Interconnection Request to the CAISO before the current cluster window closes at the end of this month.

Our comments relate to the following matters related to development and interconnection of this significant project:

- ***Transmission access to renewable-integration resources***; and
- ***Modularity and timing features***.

Each of these topics is addressed below.

**Transmission access to renewable-integration resources:** The CTPG should include accessing resources needed to integrate renewables into the grid, like pumped-storage plants, in its transmission plans, because:

- ***The CAISO and other BAs will need such resources*** to manage the increasing amount of renewables on the system.
- ***The CAISO has modified its RETPP proposal to incorporate access to such resources*** as a criterion for transmission need determination. The CTPG should be consistent with the CAISO in this important respect, because the CTPG plan will form the basis for later CAISO RETPP phases.

The CAISO RETPP proposal incorporates the need to access integration-related resources in several areas, including criteria for planning, sizing, and approving transmission projects, citing pumped-storage resources specifically.

- ***Utility-scale energy storage can help optimize the utilization of existing and already-planned transmission capacity in California, and reduce need for new transmission infrastructure.*** Thus, it should be considered in all phases of the new CTPG plan, as well as the CAISO RETPP.

In view of the size and significance of our pumped-storage plant, we request specifically that the CTPG include our project in its Phase 2 or 3 analyses, either in the general cases or as a sensitivity case. We can provide project details, subject to the same confidentiality protection available under the CAISO Tariff, once the Interconnection Request is filed.

**Adding modularity and timing features to the CTPG plan:** ECE fully supports the position of stakeholders at the January 20<sup>th</sup> meeting that the CTPG plan revisions in Phases 2 and 3 should feature:

- ***Modularity:*** While all elements of a transmission system must work together, ECE shares the concerns expressed at the meeting that provisions should be included in the plan that consider the possibility that some parts of the plan may not be built (or may be built at different times – see below), depending on the eventual location and amount of renewable-resource development.
- ***Timing:*** The CTPG plan should explicitly provide for construction and completion of transmission elements needed to meet a 33% RPS to allow generation to be deployed in an orderly progression throughout the 2010-2020 period. Priority should be given in this timing to transmission development to serve areas that already have significant amounts of generation in the CAISO interconnection queue and/or have signed PPAs, and they should consider future development likely to occur there (per the excellent work already done by RETI in this respect).

The current level of activity in these active areas is a market signal that there is already strong commercial interest there. Between the projects already under development and those likely to be drawn to those areas by approved transmission projects with defined on-line dates (the “build and they will come” effect), the risk of stranded assets would be relatively low.

Thus, the CTPG plan should sequence transmission for these areas to be completed in the early years of the plan scope. Transmission to serve promising areas with less current development activity can be sequenced for the later years, and thus can be adjusted as necessary depending on commercial interest and activity.