

**Response of the California Transmission Planning Group  
Technical Steering Committee Study Team**

**Solar Millennium Comments  
Re CTPG's draft Phase 1 Study Report and January 2010 Stakeholder Meeting**

**Comment Received:**

The Colorado River-Devers Valley Project is included in the base cases of all the scenarios examined in the Report, as it has been with California ISO interconnection studies, as an “approved” transmission project. However, the project remains in regulatory limbo. The current California ISO position is that, given the recent repositioning of the project as a California-only project primarily intended to interconnect new generation, the earlier California ISO Board approval of the project is not valid. Instead, the California ISO maintains that: (1) the project must be re-approved in the new configuration and purpose; and (2) over 1,000 MW of Large Generator Interconnection Agreements (LGIAs) supporting the project must be executed before that approval can be granted. The lack of final California ISO approval has prevented Southern California Edison from proceeding with timely construction of the project, thus jeopardizing the viability of all the generation projects dependent on this long-lead-time project. Some of this generation has been classified as “fast-track” by the relevant government entities in order to qualify for federal stimulus funding and cannot tolerate this on-going delay. The California ISO should move promptly to obtain any FERC approvals needed to approve this project without further delay, similar to the exception treatment it sought, and was granted, for the Tehachapi Project.

**CTPG Study Team Response:**

The matters raised by Solar Millennium are beyond the scope of CTPG's studies and work and should be addressed to the California ISO and the project sponsor directly.

**Comment Received:**

Solar Millennium 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, Solar Millennium 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; and,
- **Timing:** The CTPG plan should explicitly provide for construction and completion of transmission elements needed to meet a 33-percent Renewable Portfolio Standard 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 California ISO interconnection queue and/or have signed

power purchase agreements, 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.

**CTPG Study Team Response:**

CTPG’s Phase 1 studies modeled new renewable resources in the locations, quantities and technologies specified in the CTPG members’ renewable procurement plans. These plans are largely based on signed Power Purchase Agreements and new generator interconnection queue information. CTPG agrees that holding an executed power purchase agreement and priority positions in the interconnection queues are good indicators of “strong commercial interest”. CTPG’s draft Phase 2 study plan contemplates a “Generation Interconnection Queue-based Portfolio” scenario.

CTPG’s initial work has been focused around meeting renewable resource goals for the year 2020. Due to time and resource constraints, CTPG does not contemplate developing plans for incremental transmission upgrades that might be necessary to add renewable resources prior to 2020, although we agree Solar Millennium raises a valid point in this regard.