

**Comments of the team from
Arkay Solar, Inc.**

**Regarding the California Transmission Planning Groups' Renewable Energy
Transmission Planning Process (RETPP) and the Final Study Plan following the
March and April 2010 Stakeholder Calls**

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We are appreciative that the California Transmission Planning Group (CTPG) accepts stakeholder comments on their planning process. This process is extremely complicated and we support CTPG's consideration of many different renewable energy generation scenarios.

Our concerns are as follows:

- 1.) Modeling of the resources to be connected to the transmission grid
- 2.) Urgency involving upgrades, alternatives and additions to the existing grid infrastructure

We feel the process thus far has produced significant headway in the transmission process toward the goal of meeting the states' 33% RPS. As mentioned in previous Stakeholder comments in February, it is the belief of Arkay Solar that the renewable resource portfolio available in 2020 cannot be accurately forecasted 10 years out.

The 'net short' in the Phase 2 Final Study Plan of 52,764 GWh is significant; from our perspective, we see a massive disconnect between the existing transmission capabilities in 2010 and the proposed identified renewable resource additions in the coming years. The capability of the grid is severely constrained. The upgrades necessary will push the process to the 2020 deadline if these transmission upgrades are not fast-tracked.

In light of the transmission scenarios in other Southwest states, we feel RETI's Heavy In-State Portfolio of 70% / 30% Out of State may be slightly skewed in an optimistic direction. We believe by 2020 there will be significantly more out of state capacity not considered in the Phase 2 Final

Study Plan. More importantly, there must be a more reasonable approach to the renewable generation capacity and the true transmission capacity at Kramer Junction and in the surrounding areas.

The East to West line between Kramer – Barstow – Pisgah is vital to the development of solar energy in Southern California and the entire State. The difference between RETI’s assumptions for Kramer in the Final Study Plan Table 4.5 “Heavy In-State Portfolio” and the ones in Table 4.7 “Desert SW Portfolio” are enough to make us scratch our heads. Why decrement the Southern California resources just to accommodate the Desert SW scenario? Should it be considered an “either/or” issue? Are we going to be so dependent on Tehachapi or COI to fulfill the obligations? We cannot dismiss the renewable generation capabilities of the Southern California deserts. We realize the objective of the Desert SW scenario is to plan for mitigation as other Portfolios change, but the scenarios lack the necessary balance.

North to South: Inyokern – Kramer - Lugo is another equally important line in the grid. Per the RETI Phase 2A Draft Final Maps (CREZ – New & Existing Corridors) July 2009, the amount of solar energy projects planned north of Kramer *far* exceeds its capacity to accept that energy; not to mention the surrounding areas which are dependent upon Kramer to get to Lugo. I.e., in the Case B-OV (slide 26 from the Stakeholder call on 4/20/10) everything in Owens Valley travels down through Kramer. Actually, the upgrades listed on Slide 32 do a great deal to solve the congestion issues and for that we applaud your efforts. We believe this should be priority #1.

In addition, there is tremendous benefit in distributed generation renewables – by placing greater emphasis on distributed generation we would sustain less transmission loss and reduced need for transmission upgrades. Perhaps this is an issue that will be addressed in Phase 3. It is our belief that CTPG must make the upgrade recommendations soon to the appropriate agencies (CPUC, FERC, CAISO). The network upgrades to the Southern California transmission system must take place before everyone experiences bottlenecks in which no development can occur.

Thank you for the opportunity to comment on the process and we look forward to the further development and end results.

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