

**Response of the California Transmission Planning Group
Study Team to**

Comments of The Nevada Hydro Company

Comment Received:

The California Transmission Planning Group has excluded the Talega-Escondido/Valley-Serrano 500-kV Interconnect project (“TE/VS Interconnect”) and the associated Lake Elsinore Advanced Pumped Storage (“LEAPS”) project from its analysis. The environmental record produced in the LEAPS licensing proceeding at the Federal Energy Regulatory Commission (“FERC”), combined with the extensive analysis of the Project already completed by the California Public Utilities Commission (“CPUC”) in connection with the Project’s designation as the environmentally preferred transmission project in the Sunrise Powerlink proceeding, presents the CTPG with an opportunity to consolidate these findings, and conclusions drawn, and include this Project in its plans. The Nevada Hydro Company (“TNHC”) protests the exclusion of these projects and insists that the projects be included in the CTPG studies.

CTPG Study Team Response:

The TE/VS Interconnect project will be evaluated in CTPG’s Phase 3 work as an option for mitigating reliability criteria violations identified in CTPG’s Phase 1 Study Report and in CTPG’s Draft Phase 2 Study Report. To assist us with this evaluation, the CTPG Study Team asks that TNHC complete, as soon as possible, the “template” on the CTPG website (www.ctpg.us) and provide (i) the configuration details necessary to model the project in a power-flow program, and (ii) an indication of which reliability criteria violations TNHC believes the TE/VS Interconnect project will mitigate.

With respect to the LEAPS project, however, CTPG believes it is premature for CTPG to evaluate generation options such as the LEAPS project. The CTPG Study Team reiterates our previous response to a comment submitted by the Eagle Crest Energy Company regarding the CTPG Draft Phase 2 Study Plan, and believes this same comment is apropos in the context of TNHC’s comment and request:

CTPG believes it would be prudent to review the results of the California Independent System Operator’s 33-percent renewable integration study before undertaking any independent efforts to determine whether new integration resources are needed. Depending on what stakeholders may suggest in terms of the specific operational issues that still need to be evaluated following issuance of the ISO’s 33-percent renewable integration study, CTPG may decide to conduct additional analyses, in Phase 3 or thereafter, that could point to the need for new integration resources.

