

## Great Basin's comments on the CTPG Phase III Second Draft Report

Great Basin Energy Development, LLC ("Great Basin") has proposed a nominal 1000 MW underground HVDC link between the geothermal renewable resources of northern Nevada and northern California. As per our submitted proposal of March 22, 2010, the link's design and route have not yet been finalized or optimized. Our comments are based upon the CTPG Phase III Second draft report dated July 21 2010 and also the stakeholders meeting held in San Diego on August 4 2010.

Great Basin notes that there are two factors at play in modeling the integration of our HVDC transmission project into the California transmission system. The first factor is that available renewable generation resources in Nevada are understated due to early RETI / CTPG assumptions and the second factor is that the western terminus of the line will likely require a new connection between WAPA and PG&E in the vicinity of O'Banion switching station due to the amount of power to be injected.

During the RETI Phase II process and subsequent CTPG agreement on modeling assumptions, it was noted that only a minimal quantity geothermal generation is available to the California grid from Northern Nevada due to lack of transmission capacity, the scarcity of which our line would remedy. RETI's contractor, Black and Veatch identified between 1,200 and 1,587 MW of viable geothermal generation in Northern Nevada in its February 4 2010 report. Great Basin requests reconsideration of the amount of renewable, predominately geothermal resources, which are expected to be developed in the Northern Nevada area. Great Basin notes that a similar comment was made on this topic by Terragen to the CTPG in April 4 2010 (Terragen mentioned 1,000 MW in Northern NV) and also by the Geothermal Resources Counsel in April 29, 2010 (over 800 MW of geothermal generation in the NV Energy Interconnection queue). Great Basin further notes that geothermal generation has a high load factor, exceeding 80%, which would be a highly desirable renewable resource for Northern California load serving entities. The Great Basin line would significantly advance the development of these resources and add cost effective, dispatchable generation to achieving California's 33% renewable energy mandate.

On July 9 2010 Great Basin requested a change of its western terminus of its HVDC system to the WAPA O'Banion switching station from the Table Mountain switching station. Great Basin notes that the CTPG process for considering alternative projects requires the sponsor to propose a fully detailed project. The CTPG process is not structured, most probably due to available analysis time and resources, to allow for the CTPG analysis team to perform iterations and optimization of an alternative project. Great Basin expects that ultimately the western terminus of the HVDC facility at O'Banion will require the addition of a 230/500 kV autotransformer and connection to the 500 kV Table Mountain – Tracy line to allow for the full injection of the nominal 1,000 MW. Great Basin notes that this connection has been previously contemplated by the CAISO, WAPA, SMUD and the local generator which connects to the O'Banion switching station (Galpine Sutter). Thus, Great Basin requests that the CTPG in its Phase III Report, concluding comments relating to the Great Basin HVDC project make appropriate notations concerning the reasonableness and likely system upgrades that may be required to support the injection of full rated capacity. Great Basin notes that within the overall scope of the entire HVDC system's cost, adding an extra connection to the 500 kV system would have a negligible effect on the overall economic viability of the project. Great Basin further notes that the 1000 MW nominal line capacity is based on current technology and installation effort of an underground cable, i.e. the largest practical size facility should be installed consistent with the state of the art of technology.

## Concluding Comments

Great Basin understands that for Phase III, CTPG management is considering recommending projects only scored as High Potential or Medium Potential with the understanding that those will be carried on for further analysis in planning cycles such as the CAISO 2010-11 Transmission Planning Process or the annual POU transmission planning process. At the Stakeholders Meeting on August 4, it was mentioned that the CTPG was inclined to score projects as a Medium Probability if they require additional technical, environmental, commercial and regulatory work. GBED respectfully requests that our project be scored at least Medium Potential so that Great Basin is evaluated in the non-CTPG planning processes.

If the CTPG does not score Great Basin in one of the two above categories, we understand that CTPG management is now considering adding a Phase IV later in 2010 which will focus more on import solutions into Northern California. The Great Basin project would clearly fit this area of consideration.

Given Great Basin's unique, minimal environmental footprint; access to baseload or dispatchable renewable resources to serve the northern California load; collocation of the HVDC with a needed gas infrastructure connection; consideration of a system inter-tie project at the western terminus of this line which would further improve Sacramento voltage support; potentially add black start capability to the area from Nevada; and reliability improvements on both ends of the HVDC system including dynamic stability, we request that the CTPG strongly encourage further development of this project.

Great Basin does not support the CTPG recommending deferral of the project for another annual planning cycle as this would only further delay accessing the geothermal potential of northern Nevada and delay system reliability benefits that a HVDC project can bring to both California and Nevada.

If the CTPG has any questions about these comments, please contact:

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