California Transmission Planning Group (CTPG)
Technical Study Team's Response to the
June 30, 2010 Comments of
Invenergy LLC

Comment/Question:

The Lassen North CREZ is a relatively new zone of renewable energy development compared to many of the other areas evaluated in both the CTPG and RETI processes. Over the past two years, developer interest in and knowledge of the resource present in this CREZ has increased tremendously. Invenergy has been active in development in this zone for close to four years with multiple project sites under development a large number of met towers gathering data and a wide variety of environmental studies completed. This area holds great wind development potential and is both the largest and best undeveloped wind resource in Northern California. We urge the CTPG to reconsider the exclusion of the Lassen North CREZ in the Phase 3 Report and further CTPG transmission evaluation scenarios for the following reasons:

- The RETI has identified a very large potential wind resource, 1467 megawatts in Phase 2B Final Report, in the Lassen North CREZ
- The transmission costs and associated rankings identified in the RETI Phase 2A Report (Section 3.5.14) and utilized by the CTPG for Lassen North CREZ are incorrect and no longer valid for the following reasons:
    - The cost estimates and environmental impacts for the Lassen North CREZ transmission are based on the now defunct TANC Transmission Project (ITP).
    - The high cost of the TTP, estimated at $735 million by RETI in the Phase 2A Report Table 1-1, and large environmental impact associated with the TTP, including the second worst environmental score of any proposed transmission project evaluated by RETI (a weighted score of 600, RETI Phase 2A Table 1-1 pg 1.18), resulted in an incorrect low ranking for the Lassen North CREZ.
    - TTP has been cancelled hence the associated rankings by RETI of the Lassen North CREZ are no longer valid.
- A new cost effective transmission solution for the Lassen North CREZ has been proposed by the Lassen Municipal Utility District (LMUD). The proposed LMUD 230-kV solution utilizes existing Right of Way corridors and has a capital cost of only a fraction of the previously proposed TIP solution.
- The utilization of existing transmission corridors would result in a very high environmental ranking when evaluated under the RETI criteria.
- The combined cost savings and improved environmental score would make the Lassen North CREZ a viable renewable energy zone.
- The Lassen North CREZ is the only large undeveloped area of high wind resource in all of Northern California.
- Relying on Southern California CREZs to supply almost all of the Northern California LSE renewable RPS requirements is bad policy for the following reasons:
    - Lack of resource diversity
    - Transmission congestion on the north -south paths
    - Unequal regional distribution of the economic benefits associated with renewable energy development

• The Lassen North CREZ and the proposed LMUD-230 kV Transmission Project should be evaluated in the CTPG process and should not be excluded from the CTPG Phase 3 scenario, or future CTPG scenarios.

CTPG Technical Study Team Response

The various resource scenarios using CREZ data were primarily developed by RETI. That input provided the basis for conducting the CTPG's 2010 study efforts (Phases 1-4). Changes in key assumptions that may alter conclusions related to CREZ ranking and evaluation should be brought before RETI for further analysis and updates. Though too late for further analysis in CTPG Phase 3 and Phase 4 analyses, the CTPG will consider RETI updates in future CTPG transmission studies.

The CTPG encourages Invenergy to work with RETI to develop resource scenarios to be studied in future CTPG study work. The CTPG Technical Study Team also notes that "commercial interest" has been an important factor in determining which CREZs are most likely to be developed and where transmission is most likely to be beneficial. To the extent Invenergy has information documenting commercial interest in the Lassen North CREZ (such as signed Purchase Power Agreements (PPAs)), such information would be useful in developing CTPG's work plan for year 2011. Finally, the CTPG Technical Study Team agrees with Invenergy that, to the extent future CTPG studies show a need for new transmission to access renewable in the Lassen North CREZ, the proposed LMUD 230-kV Transmission Project could be an option for providing such access.