

**California Transmission Planning Group (CTPG)
Technical Study Team's Responses to
October 7, 2010 Comments by Great Basin Energy Development (Great Basin) on
CTPG's draft Phase 4 Study Plan**

Great Basin Comment:

The CTPG analysis process to date has not considered the full quantity of geothermal and other renewable generation under development in northern Nevada. Comments to this effect have previously been made by Great Basin and Terra-Gen Power. Great Basin again notes that upon both review of the Black and Veatch study performed for RETI and also upon review of the NV Energy interconnection request queue, there remains some 1,400 megawatts of new geothermal generation which desires to sell into the California market. Additionally, since geothermal based generation has an inherently high load factor (80-90%), this resource provides northern California with baseload or dispatchable renewable resources that can be successfully transported into the load area via the Great Basin HVDC project. Great Basin's analysis is that this resource can be reliably and economically delivered to Northern California loads at prices below other renewable resources when considering integration and back-up costs.

With this writing, Great Basin requests that the CTPG consider in the Phase 4 Study Plan the addition of a Reno 'portal' into California in addition to other known portals discussed on the teleconference of September 30.

CTPG Technical Study Team Response:

The CTPG Technical Study Team appreciates the perspective of Great Basin on the prospects for geothermal development in Nevada. The CTPG has performed several studies that assumed the development of new geothermal resources in northern Nevada. See for, example, section 7.6 of CTPG's Phase 3 Study Report.

With respect to Great Basin's statement that "there remains some 1,400 MW of new geothermal generation which desires to sell into the California market," the CTPG would note that there are thousands of megawatts of proposed renewable generation throughout California and the other regions of WECC which desire to sell into the California market. From a transmission planning perspective, it is necessary to develop reasonable assumptions about which renewable resources will actually get built in which locations.

The CTPG Technical Study Team is conducting its work under the premise that enough renewable generation will get built to meet California's renewable portfolio standard (RPS) goals, but no more. Accordingly, the CTPG Technical Study Team would be interested in hearing Great Basin's view as to why it makes more sense to assume the referenced 1400 megawatts of geothermal generation will actually get built in northern Nevada as opposed to comparable amounts of renewable generation in California and/or other areas of the WECC. These discussions would inform our ongoing discussions with the California Renewable Energy Transmission Initiative (RETI) regarding the resource scenarios that should be studied by the CTPG. We also encourage Great Basin to discuss these same matters with the RETI directly.

With respect to Great Basin’s request that CTPG’s Phase 4 studies assume the injection of renewable resources at a “Reno ‘portal,’”¹ CTPG notes that its current plans in Phase 4 are to consider, at a high level, a wide range of renewable resource development potential in the Pacific Northwest and northern Nevada. CTPG has already initiated efforts to collect this information. At this time, the CTPG Technical Study Team does not expect to conduct, in Phase 4, any power flow studies that assume new injection points for renewable resources located in northern Nevada.

¹ Great Basin does not indicate which bus or busses would constitute the “Reno ‘portal’.”