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## COMMENTS OF 8MINUTENERGY RENEWABLES, LLC ON CTPG DRAFT STATEWIDE TRANSMISSION PLAN

8minutenergy Renewables, LLC (8me) appreciates the opportunity to submit these comments on the January 3, 2011 document "**2010 California Transmission Planning Group - Statewide Transmission Plan Draft**" (Plan) and the January 7, 2011 stakeholder meeting to discuss it.

The Plan – which lists high- and medium-potential transmission upgrades and identifies several "transmission corridors" for later study - contains the CTPG's first recommendations for a comprehensive transmission plan for the entire state and represents a significant step forward in inter-BAA cooperative planning.

8me, in partnership with Gestamp Solar, is developing 355 MW of solar-energy projects in the Imperial Irrigation District (IID) area. These projects are far along in the development process, e.g.:

- **Completed the interconnection study process**, with an August 2010 Facility Study;
- **Will execute a General Interconnection Agreement** in Q1 2011;
- **Received a Mitigated Negative Declaration** in June 2010 for the first 50MW; and
- **Completed a final hearing for land-use entitlement** in August 2010 for the first 50 MW.

(For more information, see <http://8minutenergy.com/project-portfolio>.)

The Commercial Operation Dates (CODs) for the first of these projects is late 2013, and the others will follow soon after. However, timely completion of these and other viable IID-area renewable-energy projects is jeopardized by transmission constraints between the IID and CAISO systems. IID-area transmission construction to support these projects has already been approved by the IID Board and construction will begin in 2011, but CAISO-side matching upgrades are still not approved. (The 45 active

IID-queue projects – virtually all renewables – are posted at [http://www.oatiaoasis.com/IID/IIDdocs/IID\\_LGIP\\_Queue\\_Listing\\_%28Rev.11-08-10%29.pdf](http://www.oatiaoasis.com/IID/IIDdocs/IID_LGIP_Queue_Listing_%28Rev.11-08-10%29.pdf)).

Given our IID-area development activities, our comments here urge the CTPG to:

- **Approve the proposed classification of the Imperial Valley and West of Devers area upgrades identified in the Phase 4 Results as “high potential”** (including related investments, such as a new 500/230kV transformer at Imperial Valley Substation), as these upgrades will help enable delivery of renewable energy from Imperial and Riverside counties to CAISO-area load centers; and
- **Change the classification of several upgrades in the Plan - currently “medium potential” – to “high potential,”** specifically the upgrades listed below, which have (in other venues) been termed “Path 42/Devers-Mirage Upgrade” (P42/DM Upgrade):
  - **New 230 kV Mirage-Devers #2 and an Coachella Valley-Mirage #1 lines**, created by looping the existing 230 kV Coachella Valley-Devers #1 line into Mirage Substation; and
  - **Reconductoring of these existing 230 kV lines:** Coachella Valley-Ramon #1, Ramon-Mirage #1, Coachella Valley-Mirage #1, and Mirage-Devers #1.

The P42/DM Upgrade would enable delivery of up to 1,400 MW of new renewable generation to the CAISO area, quickly and at a very low relative cost. It is vital to the viability of the late-stage generation projects in the area that the CAISO-side upgrades be constructed, and in time to meet the planned project CODs. The remainder of these comments below addresses the other strong reasons why the Upgrade should be classified as “high potential.”

**CTPG methodology:** The CTPG explained in the meeting that the “high-potential upgrades” in the Plan are those: (1) serving “High-Potential CREZs;” and (2) where shift-factor analysis showed that they would carry the “most” renewable energy, in annual MWhs. (The cut-off point for the “most” renewable energy was not specified.)

The “high potential CREZs” were identified as those with high “commercial interest” that also had high RETI environmental scores. High commercial interest was defined as having projects with: (1) a signed Purchased Power Agreement (PPA) as of June 1, 2010; and (2) its major permit filed with and deemed data adequate by the appropriate agency, as of March 1, 2010.

**Problems with CTPG methodology:** These criteria ignore the “chicken-and-egg” nature of transmission availability. The presence of a PPA might be a valid project-viability indicator in some other

areas; however, lack of a commitment to upgrade IID-CAISO transmission lines, or an obvious means of obtaining one (since IID-area projects cannot enter the CAISO interconnection process), has impeded the ability of IID-area projects to secure PPAs with CAISO-area LSEs.

By March 2011, developers of several hundred MW of new IID-area renewable generation projects will have executed Generator Interconnection Agreements (GIAs), and made up to \$250 million in associated financial commitments for IID transmission upgrades to get their energy to the CAISO. Given the situation, the CTPG should consider these commitments to be equivalent to PPAs as demonstrations of project seriousness and viability.

**Recommendations:** The CTPG should assume a minimum of 2,000 MW of “high commercial interest” IID-area imports into the CAISO, delivered to Imperial Valley and Devers Substations - 1400 MW of generation advanced in the study process, plus 600 MW of existing generation. A sensitivity case should examine potential imports of up to 2,600 MW, to help size the conductors and upgrades to handle the level of development from this high-potential area.

This more realistic “commercial interest” generation-capacity measure for the IID area (including the Imperial North CREZ), which would consider the existing PPA impediments, would likely result in the re-ranking of the P42/DM Upgrade as “high-potential.”

Moreover, though the CTPG did not consider cost, schedule, or relative feasibility of the recommended upgrades in this year’s analysis, it should make an exception in the case of the P42/DM Upgrade. Specifically, the Upgrade would be:

- **Extremely cost-effective under multiple IID-area generation scenarios.** Given the results of CAISO interconnection cluster studies to date, there are few major high-potential renewables areas where a \$40-80 million transmission upgrade could enable delivery of so much additional generation.
- **Relatively quick, easy, and environmentally friendly.** No new transmission lines or rights of way would be required.

Finally, the CTPG should recognize that the Upgrade has been studied extensively already, in WECC and other cooperative planning efforts. Path 42 upgrades have been studied several times in the past 10 years and were submitted into the CAISO 2009 Request Window by both SCE and IID. These upgrades were also studied in detail in the Imperial Valley Study Group effort in 2003 and have been included in virtually every transmission plan for that area of California.

For those reasons, the CTPG should reclassify the P42/DM Upgrade as “high-potential” in the final version of the Plan.