

INDEPENDENT ENERGY PRODUCERS

IEP appreciates the opportunity to provide the following comments to the California Transmission Planning Group (CTPG) in regards to its Phase IV Draft Study Report, 2010 Draft Statewide Transmission Plan, and the January 7, 2011 stakeholder meeting.

Item # 1

At the January 7th stakeholder meeting IEP requested and CTPG responded to the observation that there appears to be a contradiction between the CTPG Phase IV Study Report (“Study Report”) and the CAISO 2010/2011 Transmission Plan (“CAISO Plan”). Specifically, the Study Report indicates that the “high potential projects” from CTPG Phases III and IV would provide sufficient capacity for only 22% to 24% RPS. On the other hand, the CAISO Plan states that the “ISO-approved transmission for renewable resources within our footprint is adequate for now.”¹ As has been explained by CAISO, the ISO plan includes the same high potential transmission identified by CTPG.

The comments offered by CTPG at the meeting addressed the reasons why the two studies would be expected to return conflicting results. Based on CTPG’s comments, IEPs understand that the key reason for the different conclusions comes down to assumptions, many on material items such as thermal generation re-dispatch methodologies. Statewide transmission planning involves many other organizations (or at least their data) besides CTPG and the CAISO. IEP is concerned that differences in assumptions has the potential to increase uncertainty of regulatory and commercial outcomes.

Due to the fact that the CAISO will receive and consider CTPGs statewide transmission plan and, by association, the studies that underlie the statewide plan, IEP provides the following feedback comments:

- *IEP requests that CTPG insert a brief discussion in the final draft of the statewide plan discussion to articulate the differences between the CTPG plan and the CAISO plan, including key assumptions and interpretations of the study results, and help the many readers in and outside of the stakeholder parties understand why additional transmission may in fact be necessary in order to connect the required generation to meet 33%, even though the CAISO report may seem to suggest the opposite.*

¹ “Briefing on ISO Transmission for 33% RPS Plan”, Keith E. Casey, Vice President, Market and Infrastructure Development, CAISO, Board of Governors Meeting, General Session, December 15-16, 2010

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- *In addition, IEP requests that CTPG advocate for processes within the CTPG, CAISO, and other planning venues across California that drive toward standardized assumptions on key input variables.*

Item # 2

IEP has been active and vocal throughout the CTPG stakeholder process. CTPG has recognized IEPs inherent interest in the process that CTPG has and will conduct with respect to transmission planning. IEP reacted very positively to CTPG's recent comments regarding expanded stakeholder involvement in the process, where participants would be asked to fill a role contributing content and not just comment. IEP was also very interested to read Section 8.1.5 of the "lessons learned" section of the draft statewide plan where CTPG calls for more and deeper stakeholder involvement.

- *IEP continues to support an expanded role for stakeholders and IEP requests that CTPG provide a draft of its plan to make that participation happen in 2011.*
- *IEP also requests that CTPG consider the constitution of an expanded, active, CTPG group as it may address the absence of the process embodied by RETI and ultimately work toward the improvement of planning processes that make timely transmission development possible.*