

June 2, 2011

Mr. Mohammed Beshir  
CTPG Technical Steering Committee  
Manager of Transmission Planning, Engineering and Contracts  
Los Angeles Department of Water and Power  
111 North Hope Street  
Los Angeles, CA 90012

Dear Mr. Beshir:

In response to the California Transmission Planning Group (“CTPG”) request for stakeholder comments regarding the 2011 Study Plan (“the Plan”), and as further discussed at the May 19, 2011 Stakeholder meeting, Clean Line Energy Partners LLC (“Clean Line”) and Centennial West Clean Line LLC (“Centennial West”) respectfully submit these comments.

Clean Line focuses exclusively on developing long-haul, high-voltage direct current (“HVDC”) transmission lines to connect renewable resources to load. Clean Line believes California, in line with the state’s 33% by 2020 Renewable Portfolio Standard (“RPS”) goal, should pursue a broad range of opportunities to increase the share of renewable power in its overall generation portfolio. To do this in a manner that is efficient and cost effective for utilities and their customers, California should take full advantage of low-cost imported renewable energy from other Western states. Clean Line’s Centennial West project will transport wind energy from the eastern New Mexico region to Southern California. The wind resource in eastern New Mexico is substantially stronger than many sites in California, leading to improved capacity factors and lower cost of energy. An additional benefit provided by New Mexico resources is geographic diversity. Increased geographic diversity will reduce the size and frequency of rapid upward or downward shifts in energy production, resulting in a lower cost to integrate large volumes of renewables.

As embodied in its mission statement, CTPG is committed to developing a California statewide transmission plan to meet the state’s RPS goal. To accomplish this and other carbon-reduction goals at lowest cost, Clean Line believes that CTPG should include a broader range of transmission solutions. Clean Line wholeheartedly shares the concerns noted by President Peevey and Commissioner Florio in their April 29, 2011 letter to CAISO President and CEO Yakout Mansour:

[T]he 2011 [CAISO Conceptual Statewide Transmission Plan] relies almost entirely on generator interconnection process-driven transmission projects being pursued by the incumbent Investor Owned Utilities (IOUs), which are not subject to any sort of competitive process or, in fact, to the newly established criteria in the CAISO’s tariff for approving “policy” (RPS) related transmission.

In contrast, the numerous projects submitted for consideration by independent transmission developers have all been rejected as unnecessary....The net result of this process appears to be a total reliance on IOU transmission development and a significant step back...[w]e are concerned this trend will have the effect of

strongly discouraging continued efforts by independent transmission developers to pursue projects in California.

Clean Line suggests that CTPG consider HVDC a prominent part of any state transmission plan, particularly given the abundance of high-quality wind and solar energy that can economically be transported to California via very cost-effective HVDC projects already in various stages of development. High voltage direct current lines can move more energy over longer distances with fewer losses than alternating current lines, bypass congestion bottlenecks, enhance reliability by relocating variability, and minimize siting impacts by using smaller rights-of-way. The current plan focuses too narrowly on high and medium potential upgrades to existing lines rather than broadening its scope to include new projects, such as interstate HVDC lines, that also merit consideration.

Clean Line also believes that CTPG should pursue an increasingly coordinated role with the Transmission Expansion Planning Policy Committee (“TEPPC”) of the Western Electricity Coordinating Council. Coordination with TEPPC would ensure planning from a regional perspective, including any seams that might exist between California and neighboring areas. Coordination with TEPPC would additionally facilitate reconciliation with Southwest Area Transmission (“SWAT”) plans.<sup>1</sup> Furthermore, this coordination will facilitate the right mix of in-state and out-of-state resources needed to meet the RPS goal recognizing, as Governor Brown recently did, that the 33% threshold is merely a floor and not a ceiling.

Clean Line appreciates that CTPG evaluated the “West of the River Stress” scenario in the 2010 study and considered renewable imports, and we recommend that this analysis be repeated with a new base case for the 2011 study that includes the 2010 additions. This scenario reflects the renewable resource availability of the southwestern region of WECC.

As mentioned in our previous letter on the Revised Phase 4 Study Plan, the proposed Competitive Renewable Energy Zones (“CREZ”) are a step in the right direction. Including only permitted projects in the “discounted core,” however, is an unnecessarily restrictive measure. There are several projects in the WECC path rating process and other queues that are not included in the CTPG study. Looking at additional datasets including the WECC Scenario Planning Steering Group (10-year study) and Sub-regional Coordination Group regions and projects (e.g., foundational and potential lists) will help create a more diverse portfolio. One of the strengths of western regional transmission planning has always been the ability to set aside parochial interests and recognize the multitude of resource options that exist throughout the west. Transmission is the vehicle that allows the use of these diverse resources to serve demand wherever it resides.

Finally, Clean Line urges the CTPG to consider a wide range of generation scenarios. In addition to the Once Through Cooling scenarios, the array of scenarios should include very low carbon emissions requirements, displacement of potentially inefficient “Must Run” units

---

<sup>1</sup> SWAT is one of eight identified Sub-regional Planning Groups in the WECC region.

(where possible), as well as infrastructure requirements for integration of imported renewable resources.

Clean Line looks forward to continued participation in the CTPG process with the end goal of a comprehensive, reliable, cost-effective transmission plan that best serves California's policy initiatives.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jayshree Desai".

Jayshree Desai, Executive Vice President  
Clean Line Energy Partners LLC