



555 Seventeenth Street
Suite 2400
Denver, CO 80202
Tel 303.298.1000
Fax 303.299.1356

By Electronic Mail

California Transmission Planning Group

June 2, 2011

Re: CTPG 2011 Work Plan

Dear California Transmission Planning Group:

TransWest Express LLC (TWE) submits the following as comments on the California Transmission Planning Group's (CTPG) 2011 Work Plan.

TWE appreciates the opportunity to comment on the 2011 Work Plan and hopes these comments will aid CTPG in preparation of an effective plan for meeting California's transmission infrastructure needs.

The TransWest Express Transmission Project (TWE Project) is a 3,000 MW, 600 kV direct current electric transmission system that will begin in south-central Wyoming, extend through northwestern Colorado and central Utah, then end in southern Nevada's Eldorado Valley where interconnections into the California grid are available. Under development since 2005, with an expected in-service date in 2016, the TWE Project will deliver Wyoming's world-class wind resources – which are both high-capacity and cost-effective – to support California's plan to meet a 33% renewable energy standard by 2020.

In 2010, Western Area Power Administration (Western) and TWE announced an agreement where Western may own up to 50% of the TWE Project. Through Western's Transmission Infrastructure Program (TIP), Western may invest up to \$1.5 billion to own one-half of the TWE Project. Similar to the role it had in California on the Path 15 upgrade, Western will provide environmental analysis, permitting, land acquisition and other development services to support the TWE Project.

The TWE Project has completed the WECC Project Coordination Process and Phase 1 of the WECC Path Rating Process and is currently actively engaged in Phase 2 of the Path Rating Process.

The TWE Project, like the major transmission infrastructure investments of the 1970's and 80's that brought significant benefits to California from the delivery of out-of-state energy resources, will give California and other Southwest states an unparalleled opportunity to access the highest-quality renewable resources in the U.S. More information can be found at www.transwestexpress.net.

TWE's comments on the 2011 Work Plan, including three specific requests, which follow, are based on the April 29, 2011 CTPG 2011 Phase 1 Work Plan and the presentation provided at the May 19, 2011 stakeholder meeting.

High Potential Southwest Corridor/TEPPC Coordination

The 2010 CTPG Statewide Transmission Plan identified a High Potential Southwest Corridor to facilitate renewable energy imports into southern California (slide 45 of 5/19/11 presentation). However, the Southwest Corridor was not included on the list of 2011 Proposed Scenarios (slide 47). We assume this was an oversight. It is absolutely imperative that the 2011 Work Plan include one or more scenarios with significant imports through the Southwest Corridor.

The WECC Transmission Expansion Policy Planning Committee (TEPPC) has completed its 2010 Study Program which included several scenarios in which 12,000 GWh/year of renewable energy resources were relocated from California to other states and/or provinces. Ten of these scenarios included major new transmission projects (3,000+ MW) to deliver the relocated resources back to California and eight of those scenarios showed the relocated resources being delivered through the Southwest Corridor.

Preliminary results from the 2010 TEPPC Study Program indicate savings of \$660 million/year for a scenario where 12,000 GWh or Wyoming wind resources are delivered to the Southwest Corridor on TWE. The TEPPC studies show smaller, but still substantial savings, can be obtained by importing 12,000 GWh or renewable energy from Montana or New Mexico delivered to the Southwest Corridor.¹

The TEPPC studies indicate that the West of River path can accommodate substantial imports without any upgrades. Phase 4 of the 2010 CTPG Work Plan also include some analysis of West of River capacity availability for new imports (slide 44). It is important as part of the 2011 Work Plan that this issue be comprehensively addressed.

TWE requests that a scenario with 12,000 GWh (3,000 MW) of Wyoming wind delivered over TWE be included in the 2011 Work Plan.² This 12,000 GWh of Wyoming wind would

¹ Figures in this paragraph are taken from TEPPC Interim Study Report, Draft, TEPPC 2010 Study Program Report of Updated 2019 Studies posted May 26, 2011.

<http://www.wecc.biz/committees/BOD/TEPPC/TAS/SWG/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2fcommittees%2fBOD%2fTEPPC%2fTAS%2fSWG%2fShared%20Documents%2f2010%20Study%20Cycle%2fStudy%20Results%20Report%2f2019%20Study%20Report&FolderCTID=&View=%7b9F236AF1%2dDE64%2d45EB%2d9B4A%2d735A0B494234%7d>

This report and the underlying assumptions continue to be reviewed by TEPPC and the Technical Analysis Subcommittee. Although the results may change as a result of this review process, recent information presented to TEPPC and TAS shows significant savings from the Wyoming wind portfolio cases under a broad range of assumptions about the quality of the Wyoming wind resource and the cost of transmission to deliver these resources to California.

² This appears to be the most cost-effective resource relocation with equivalent transmission expansion scenario from the 2010 TEPPC Study Program. CTPG may also wish to consider other Southwest Corridor

replace 12,000 GWh of the highest cost or lowest ranked resources in the CPUC – Trajectory proposed scenario (slide 47). This is the approach used to develop the equivalent scenario in the 2010 TEPPC Study Program. TWE stands ready to work with CTPG, CPUC and others to specify the details of this scenario.

TWE also requests that CTPG coordinate with TEPPC to the extent practicable so that TEPPC and CTPG study results reflect common assumptions and data sets (slide 33).

Economic Analysis

The stakeholder meeting presentation indicates that CTPG does not intend to consider benefit/cost analysis of transmission alternatives (slide 37). There is no other discussion in the presentation of economic analysis. **TWE believes the absence of economic analysis is a fundamental shortcoming of the 2010 CTPG Statewide Transmission Plan and strongly urges CTPG to include economic analysis in the 2011 Work Plan.**

Simply put, it is not possible to produce a robust and efficient Statewide Transmission Plan without consideration of economic factors. The objective of the Statewide Transmission Plan should be to identify transmission projects that provide California consumers with access to resources to meet the 33% renewable energy standard with the lowest delivered power costs (including both generation and transmission costs). TEPPC has developed generic resource costs and other assumptions that can be used by CTPG if CTPG does not want to commission new work in this area as part of the 2011 Work Plan.³

TWE appreciates the opportunity to comment on the 2011 Work Plan and looks forward to continuing to work with CTPG and other stakeholders as the 2011 Work Plan is developed and executed. Please feel free to contact me at david.smith@tac-denver.com if you have any questions on these comments or require additional information.

Sincerely,

A handwritten signature in cursive script that reads "David F. Smith".

David Smith
Director of Engineering
TransWest Express, LLC

import scenarios that provide additional renewables from the Desert Southwest in addition to 3,000 MW of Wyoming wind.

³ The results of the 2010 TEPPC Study Program indicate that WECC-wide variable production costs do not vary significantly as long as scenarios being compared include the same amount of renewable energy and sufficient transmission is added to avoid significant congestion. Therefore, it may not be necessary to conduct production costs modeling as part of CTPG's economic analysis.