

**CEC IEPR/Siting RETI
Workshop
*CalWEA Remarks***

**Renewable Energy
Transmission Initiative (RETI)
Phase 2A Results Workshop
June 15, 2009**

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CalWEA: Key Points

- RETI Conceptual Transmission Planning effort has been beneficial
- Redoing RETI every two years would take scarce resources away from generation and transmission permitting
- An ultra-long term abstract planning analysis could be beneficial, depending on how it's done
- Transmission cost small relative to generation
- ***Resolving CAISO/IOU/POU coordination needs is crucial***

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RETI Phase 2A: Concurrence

- Concur: RETI Phase 2A recommendations
 - CAISO, POU's study Foundation, Delivery lines to determine which needed by 2020.
 - Develop joint IOU-POU projects to avoid duplicative facilities; remove barriers to use.
 - Load-serving entities buying renewable energy should pay only a single transmission charge
 - Don't limit just to resources in a CREZ.
 - In fact, even more crucial for non-CREZ resources, which may have fewer transmission options.
 - CEC designate new corridors beyond those now established, in coordination with others.

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RETI Phase 2A: Issues to Resolve

- CREZ revision issues
 - Uncertainty analysis needs to be shown
 - Economic methodology needs to be updated
 - *2009 American Recovery Act tax treatment (PTC, ITC, Treasury grants) need to be incorporated into economic analysis*
 - Environmental methodology needs to be revised
 - *Wind project footprints should not be treated as 100% of lease area for most factors*

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RETI Next Steps: Disagreements

- Reduce number of line segments; prioritize
 - *Should analyze timing of potential roll-out and regulatory attention, rather than picking favored transmission projects or CREZ*
- Reduce transfer capacity of plan to 33% RE target in 2020, while recognizing tx planned today supports evolving policy goals to 2050
 - *The CPUC, TANC, SMUD, and others are looking at transfer capability to meet more than 33% to reduce the risk of missing the target in 2020*

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Panel Discussion Questions

- Can the RETI collaborative model (Fig. 1, Box 1) be maintained over time to produce biennial plans addressing a ten-year horizon?
 - *Redoing the full RETI process is unnecessary and would not yield much additional benefit*
 - *Use RETI resources for permitting, abstract plan*
- Is the development of regional coordinated transmission planning (Fig. 1, Box 2) readily achievable? In what time frame?
 - *Yes: crucial factor is IOU/POU coordination*

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Panel Discussion Questions

- Will IOUs and POUUs effectively integrate RETI plans (Fig. 1, Box 2)?
 - *RETI plans are indicative, not prescriptive; IOUs & POUUs are incorporating RETI into their plans*
- Would using the Strategic Transmission Investment Plan (STIP) process to confirm utility coordination and RETI integration be effective (Fig. 1, Box 3)? If so, how?
 - *It could be beneficial; not necessarily required for successful CAISO/IOU/POU coordination*

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Panel Discussion Questions

- Timing: Can a biennial RETI plan and STIP proceeding mesh with annual transmission planning at the CAISO, IOUs, and POU balancing authorities?
 - *A biennial RETI planning process would be counter-productive, drawing away scarce staff and funding resources from generation siting and transmission approval*
 - *Given state budget crisis, funds and staff should be allocated to reducing backlogs*

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Panel Discussion Questions

- What would be the objective, including scope & content, of an ultra-long term "abstract plan"?
 - ***This could be beneficial, IF***
 - ***Is based on California Joint Transmission Planning Group participation and projections***
 - ***Analyzes scenarios at a very high level***
 - ***Doesn't attempt to do full RETI analysis***
 - *Particularly on generation siting; focus on transmission*
 - ***Doesn't pick a particular outcome***
 - ***Portrays and discusses analysis uncertainties***

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Panel Discussion Questions

- *Scenarios for ultra-long term 'abstract plan':*
 - ***Renewables necessary to meet IGCC directives***
 - *IGCC identifies 80% GHG reduction by 2050*
 - ***Electrification of transportation sector***
 - *80% GHG reduction could increase electric demand*
 - ***Costs at current and accelerated trajectories for each technology***
 - *Standard assumptions for all technologies*
 - ***Transmission capacity and possible corridors***
 - *Should be indicative only, not prescriptive*

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Treatment of Transmission Cost

- ***Use methodology that doesn't lead to excessive capacity on each line***
 - Phase 1B: 100% simultaneous deliverability assumption led to overestimation of capacity need
 - Phase 2A: intermittent resources w/complementary production profiles treated as able to share capacity
- ***Do not limit transmission to 33%***
 - High risk of not achieving RPS
 - Uncertainty of where generation will develop
 - Low cost additional transmission lines vs generation

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CAISO/IOU/POU Coordination

- ***Rate pancaking needs to be eliminated***
- ***Promote co-ownership/co-location of lines***
 - Both economic and environmental benefits
 - Need state policy to share existing corridors at cost
 - Lines to be large enough to accommodate each party
 - Parties should make unused capacity available, with ability to preempt during specified conditions
 - Environmental benefit: upgrades likely before new lines
 - Ultimately will result in savings in lower costs and debt for both IOUs and POU