

To: Clare Laufenberg Gallardo, California Energy Commission
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From: Ausra, Inc. (Roger Gray, Transmission Consultant)

Re: Ausra, Inc. Comments on October 2008 RETI Draft Phase 1B Report

Date: 11/19/2008

Ausra, Inc. (Ausra) appreciates the opportunity to participate in the RETI process and contribute its comments on the Phase 1B RETI Report. Ausra also supports those comments submitted on behalf of LSA. In particular, Ausra wants to reinforce the LSA's comment that the Phase 1B report conclusions be used as indicative rather than definitive results. Ausra comments here are supplementary to LSA's comments and are specific to particular Ausra issues. We look forward to continued participation in the RETI process.

- 1) In the case of the split between Carrizo North and Carrizo South it does not appear that the split was driven by a few expensive projects as described in the report. Rather it appears (based on our review of Appendix D) that it may have been driven by transmission cost assumptions. Ausra does not believe that the cost assumptions for Carrizo North and Carrizo South are correct. There are some projects in Carrizo (including Carrizo south) that can interconnect with relatively low system interconnection costs. For example, Ausra's Carrizo Energy project currently has transmission access and will only require system interconnection facilities. Because Ausra has transmission for its Carrizo Energy project (regardless if the CREZ is split or not) Ausra believes that the transmission cost for its project and similarly situated projects should reflect this. Ausra believes that adding incremental transmission costs to projects that will not incur them versus giving other projects the benefit of treating yet unbuilt transmission as sunk creates a significant distortion and potentially a longer-term bias. Ausra cannot determine how the available transmission for Carrizo was allocated between Carrizo North and Carrizo South, but this allocation does not appear to be consistent with the current standing of projects and available PG&E transmission.
- 2) In Table 3-1 "Solar thermal Requirements" P. 3-3, the assumption of a 1280 contiguous acres requirement seems large. Ausra recommends that a smaller requirement be used such as 640 acres based on a solar thermal potential of 3 Acres/MW or that at least a range is shown.
- 3) In Section 3.5.3 regarding Out of State Transmission, the RETI report recognizes its own limitation. Ausra believes it is important to roll RETI in to broader regional efforts so that potential out-of-state resources can be appropriately compared to in-state resources and projects.