

TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

P.O. Box 15129, Sacramento, CA 95851-0129 (916) 852-1673

November 19, 2008

Ms. Clare Laufenberg Gallardo
California Energy Commission
1516 Ninth Street, MS 46
Sacramento, CA 95814

Re: Comments of the Transmission Agency of Northern California on the Renewable Energy Transmission Initiative Phase IB Report

Dear Ms. Gallardo:

The Transmission Agency of Northern California (TANC) appreciates the opportunity to provide these brief comments on the Renewable Energy Transmission Initiative (RETI) Phase 1B draft Report. TANC is very pleased to see that RETI has identified Lassen County as a major California Renewable Energy Zone (CREZ). In fact, Lassen County represents the only significant CREZ in northern California.

As TANC has previously commented to RETI and in our presentation to the RETI Stakeholder Steering Committee on April 16, 2008, we are in the process of performing environmental and preliminary engineering studies toward the development of a series of transmission facilities designed to enhance the overall reliability of the northern California transmission system and provide access to and spur the development of renewable energy projects in Lassen County and the surrounding region. In fact, we were encouraged to see that RETI agreed with TANC's internal analysis, further strengthened by industry input, that the Lassen CREZ has an abundance of potential wind, solar, geothermal, and biomass resources. Each of which, when looked at as a collective whole, is critical for meeting California and TANC Member Renewable Portfolio Standards (RPS) objectives.

TANC, a joint exercise of powers agency, is composed of 15 northern California publicly-owned utilities, strongly agrees with RETI's conclusion that the Lassen County CREZ is the only viable northern California CREZ. Furthermore, we believe both the development of that CREZ and the provision of transmission access to that CREZ are

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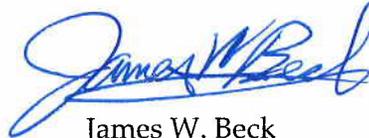
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critical to meeting California's goals of 33 percent renewable energy and reducing our collective carbon emissions.

At TANC we approach transmission development through a collaborative process, seeking input and offering participation to interested parties. This is the approach that was utilized to develop, plan, construct, and operate the 339-mile, 500 kV California-Oregon Transmission Project (COTP), a model for jointly-owned transmission development. In continuing this effort toward joint transmission development, TANC recently announced our partnership with the Western Area Power Administration for the development and environmental permitting work associated with the TANC Transmission Project.

TANC remains committed to keeping RETI apprised of our development activities designed to access and promote the development of renewable resources in northern California and to improve the overall reliability of the California high voltage transmission system. We look forward to participating in the Phase II RETI process, and we commend RETI for its diligent work and commitment to the encouragement of and assistance in renewable energy sources development for all Californians.

Sincerely,

A handwritten signature in blue ink, appearing to read "James W. Beck". The signature is fluid and cursive, with a long horizontal stroke at the bottom.

James W. Beck
General Manager