



November 17, 2008

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

Subject: RETI Phase 1B Draft Comments

Dear RETI SSC Members:

Invenergy greatly appreciates the great amount of work this committee has undertaken on this immensely complex task. Invenergy is currently involved in the development of several wind energy projects occurring in NE California, some of which fall into the RETI identified CREZs, Lassen North A and Lassen North B. We support the RETI process in its goal of identifying the many areas where transmission backbone upgrades are necessary in California in order to attain the State's aggressive Renewable Portfolio Standards.

While Invenergy supports this process unfortunately we can not support the quantitative results for both the Economic and Environmental Analysis in Draft Phase 1B for the Lassen North A and Lassen North B CREZs. It is not possible to determine with sufficient accuracy the characteristics and attributes associated with each of the individual projects and CREZs as to warrant linear quantitative results as contemplated by RETI. For example by applying the economic uncertainty bands allowed for within the RETI analysis an entirely different set of CREZs can be deemed economically viable from those determined in the Phase 1B Report. Given that the uncertainty bands account for the admitted lack of data accuracy present in the data utilized by RETI, no linear economic ranking of CREZs is justifiable. Invenergy would suggest instead the RETI Environmental and Economic rankings be altered to reflect a qualitative summary of the various CREZs and that this information be used to further evaluate all CREZs in Phase II.

Several specific examples of inaccuracy were identified in the analysis of the Lassen North A and B CREZs, including but not limited to:

1. Project areas WI_203 and WI_121 are identified respectively as 52MW and 47 MW project areas. These project areas contain 93,919 acres of Invenergy leased and 5,542 acres of SMUD leased BLM lands, in addition to several thousand acres of privately held land leased for wind energy development. The joint Invenergy-SMUD estimate of wind energy potential in this project area is over 500MW.



2. Several other Invenergy projects and projects of other developers known to Invenergy through its years spent on the ground studying the resources present in this region are greatly underestimated or overlooked entirely.
3. There is no justification given for the Economic Analysis of the Cost of Transmission to this area and while Lassen North A and Lassen North B are shown respectively as \$31 and \$38 per MWH we have no accurate indication of how these costs were calculated.
4. There is no accounting for the costs associated with the statewide network transmission upgrades necessary for serving Northern California load centers with renewable energy generated in Southern California CREZs. Renewable energy generated in Northern California will result in far fewer network upgrades to serve load in Northern California, and if these costs or cost saving are integrated into the RETI Economic Analysis the Northern California CREZs will presumably become much more competitive.

We look forward to continued participation in this process and I can be reached for any specific questions at 720-346-4996.

Sincerely,

Matt Giblin
Development Manager
Invenergy LLC