

<p>The hard work and tremendous efforts of Black &amp; Veatch, and all of the volunteer stakeholders, are tremendously appreciated. The draft shows significant additional work and will be of great help in the work to come in Phase 2. We appreciate, in advance, the additional changes needed to conform the final document to the comments that follow.</p>	
<p>Table ES-1, Figure ES-1 and accompanying text; other tables and charts throughout text (e.g., Table 5-5); Section 5.8.5</p>	<p>The SSC agreed, on Nov. 24, that Black &amp; Veatch should determine whether using thin film sensitivity numbers for economic evaluation of large-scale solar would change the relative economic ranking of CREZs, and if so, to add a new bubble chart showing that differential, as well as to footnote the relevant tables to note the potential variation. This was not done. The discussion of the sensitivity study should reflect that it was done not only to reflect the potential lower cost of thin-film for dg, but for thin-film in large-scale applications and is also useful as an indicator of potential reductions in large-scale solar costs generally ( thermal as well as PV; reductions for thermal having been noted in, among other studies, a study by Black &amp; Veatch). For this reason, the manufacturing limitation of thin-film should not be referred to as a limiting factor in realizing the improved economic valuation for CREZs with significant large-scale solar potential when the thin-film economic assumptions are used.</p> <p>Note also that the explanation of the impact of “free transmission,” as provided on page 3-18 (stating “The allocation of free transmission is a significant economic advantage for the resources in the affected CREZs. For this reason, a sensitivity scenario was run in Section 5 that explores the impact to CREZs if they are allocated full costs for transmission that is approved but not yet built” should be included in the executive summary and the bubble-chart figure and affected tables should be footnoted to that effect, and for all affected tables in the report, as it was for some tables within the main report (see, e.g., table 4-4). A new bubble chart should be provided following Table 5-15 to reflect the difference in relative CREZ economic performance on a head-to-head basis, without the “free transmission” distortion.</p>
<p>ES-1; ES-13; 1-11.</p>	<p>Although the document explains that “CREZs have been ranked according to cost effectiveness, environmental concerns, development and schedule certainty, and other factors to provide a renewable resource base case for California. This analysis is undergoing review and refinement by the SSC, and will be further refined in Phase 2” on page ES-1, the new redlined language on page ES-13 does not explain that the CREZ refinement and conceptual transmission work may- indeed are likely to- have some impact on the initial economic and environmental assessments of the CREZs in Phase 1B. This limitation of Phase 1B preliminary results must be clarified.</p>
<p>1-7 – 1-8; 5-11</p>	<p>The statement, found in chapters 1 and 5, that “Non-CREZ resources have an important advantage over CREZ resources in that they are not reliant on large-scale transmission planning to be integrated into the system. For this reason they may be able to be brought on-line faster and at lower cost than CREZ resources.” is misleading and inaccurate.</p>

	Resources located outside of CREZs could potentially require large-scale transmission planning, and resources within a CREZ may be fully deliverable without large-scale transmission planning. This should be rephrased to read: “Resources that are not reliant on large-scale transmission planning to be integrated into the system may be able to be brought on-line faster and at lower cost than CREZ resources that are reliant on such transmission.” Similarly, the statement found in chapters 1 and 5 stating “Because of the uncertainty of the costs and timing for the large scale transmission needed to reach CREZs, it is very likely that many more non-CREZ resources will be developed in California.” is unfounded and misleading; there is no basis to assume more non-CREZ resources will be developed than CREZ resources, particularly on a megawatt basis (as opposed to a unit basis). The discussion at page 1-11 should also explain that the relative costs of CREZs may change when transmission is considered as a system, with multiple benefits and potential to serve multiple CREZs and balancing areas, as opposed to the incremental approach used in Phase 1B.
1-8	The new statement regarding the potential for non-CREZ thin-film photovoltaics must be placed in context; RETI has not analyzed the extent to which such resources can be integrated or the costs associated with such integration, including the costs for upgrading the distribution system. A cross-reference to page 3-30 or a paraphrase of the caveat on that page that acknowledges these issues would be appropriate.
4-18	The text should reflect the SSC determination that Phase 2 should both prioritize CREZs with commercial activity and also examine why commercial activity is not commensurate with proxy potential in those CREZs in which the ratio between proxies and pre-identified projects is very high.
Sections 5.8.1, 5.8.2, 5.8.9.	The uncertainty analyses for solar thermal do not appear to have taken into consideration the multiple studies (including that of Black & Veatch) that project decreasing solar thermal costs over the relevant time period. At a minimum, this should be noted, particularly to put the discussion of the impact of the investment tax credit and the competitiveness of solar relative to other, more technologically mature renewable sources. The effect of using the sensitivity study for thin film for large-scale resources in the CREZs, not just non-CREZ resources, must be explained in the text and in the conclusion.
Section 6.3.2	The potential for other solar thermal technologies should be referenced. The multiple studies projecting decreasing costs for solar thermal resources should also be referenced, and the limitations of this study with respect to future costs should be expressly noted.