

1.3 Economics of Out-of-State Resources

In addition to the California CREZs, there appear to be out-of-state resources that could justify the cost of new transmission construction and still be competitive with in-state California resources. RETI identified over 40,000 MW of potential resources out-of-state, with generation potential of approximately 110,000 GWh/yr. Resources were identified in Arizona, Nevada, Oregon, Washington, British Columbia, Canada (B.C.) and Baja California Norte, Mexico (“Baja”). Of these, about 15,000 GW/yr were modeled to be competitive with California CREZs, as summarized on Table 1-2. These resources include wind and geothermal in B.C, geothermal in Oregon and Nevada, and wind resources in Baja. Wind resources in Mexico look particularly promising, and more study is recommended to refine the economic estimates and the environmental factors.

In addition to the base case economic assessment, several sensitivity investigations were performed that included out-of-state resources. The result of these studies was that there could be scenarios where almost double the capacity shown in Table 1-2 could be cost competitive.

Table 1-2. Base Case Cost-Competitive Out-of-State Resources.			
Region	Capacity (MW)	Annual Energy (GWh/yr)	Weighted Average Rank Cost (\$/MWh)
Nevada	427	2,976	-21
Oregon	392	2,848	-19
Baja California Norte*	2,368	7,633	-11
British Columbia**	340	1,553	-9

Notes:
 * Assessment of Baja wind resources in this project was preliminary. Evidence exists that additional resources may be cost effective, and this should be further explored in Phase 2.
 ** An additional 700 MW of resource (1040 MW total) is available at a relatively competitive cost of \$5/MWh.

Formatted Table

Deleted: 523

1.4 Economics of Non-CREZ Resources

As with out-of-state resources, there are several non-CREZ resources (areas less than 250 MW) that are cost competitive and may be used to serve California’s energy requirements and satisfy the RPS goals. About 70,000 GWh/yr of smaller-scale non-CREZ resources were modeled in California, the majority of which were 20 MW solar