

**Renewable Energy Transmission Initiative (RETI)
Stakeholder Steering Committee (SSC)
DRAFT Minutes
Meeting of January 19, 2010
San Diego Gas & Electric Headquarters**

Announcements – 10 AM

The SSC acknowledged the resignation of Dave Olsen as RETI co-coordinator as he begins work on Western regional transmission planning activities. The SSC expressed its appreciation for his hard work on behalf of RETI and his influential role in launching the RETI enterprise and coordinating its activities over the last two years. A search is underway for a replacement.

Minutes

Action Item - The minutes of the November 3, 2009, meeting of the SSC, as posted on the RETI web site, were approved without modification.

RETI Future Discussion

Dave Olsen reported on discussions of future RETI activities which have taken place since the November 2009 SSC meeting. A letter was sent to the SSC from CPUC President Peevey and CEC Commissioner Byron strongly supporting continued RETI involvement in renewable transmission planning efforts. A joint meeting between the Executive Committee of the California Transmission Planning Group (CTPG) and the RETI Coordinating Committee was held in December to discuss coordination of CTPG and RETI planning activities. Further discussion was postponed until later in the day following presentations on transmission-related activities now underway.

Renewable Resource Assessment Update – Ryan Pletka (Black & Veatch)

Ryan Pletka presented a status report on the resource update work by Black & Veatch and responded to questions. The proposed changes to California CREZ in response to the new national monument legislation and other information were identified. The update includes a more thorough assessment of out-of-state resource potential and costs, including the cost of transmission to California import portals. Discussion focused on estimated the cost of capital for transmission facilities needed for imported renewable energy.

Action Item – The SSC agreed that an assumption of federal financing of these transmission facilities at an annual rate of 5% was probably unrealistically low and should be replaced with a blended cost of capital at an annual rate of 7.5%

A written report on the update will be presented to the SSC for approval at its next meeting.

RETI Net Short Revision – Rich Ferguson (RETI Coordinator)

Rich Ferguson presented the proposed changes to the RETI net short calculation, consistent with previous RETI methodology and the latest demand forecast recently adopted by the CEC as part of the 2009 Integrated Energy Policy Report (IEPR). The new value of 52,764 GWh in year 2020 is a downward revision from the value of 59,710 GWh reported in the February 2009 Phase 1B Report Update. The downward revision is due primarily to lower electricity demand for electricity as a result of the recent recession and secondarily to additional renewable energy now on line.

Action Item – The SSC approved a value of 52,764 GWh as the current best estimate of renewable energy needed to satisfy a 33% renewable portfolio standard (RPS) in year 2020

consistent with previous RETI methodology and subject to uncertainty in many of the inputs to the calculation.

The presentation also included discussion of several factors which influence estimates of renewable energy requiring transmission access to meet the RPS goals but for which no accepted estimates are available. These factors include “incremental” (“uncommitted”) energy efficiency savings not included in the CEC demand forecast, private energy supplies such as customer-owned photovoltaic (PV) generation and combined heat and power (CHP), and distributed renewable generation delivered by utilities but not requiring transmission access.

Action Item – The SSC instructed Ferguson to amend the proposed net short document by including a second net short calculation using estimated values for factors not included in the current calculation methodology. The amended document is to be presented to the SSC at its next meeting.

CTPG Presentation – Heather Sanders (CAISO)

Heather Sanders, CAISO liaison to CTPG, presented an overview of CTPG work to date, a schedule for completing its statewide conceptual plan, and CTPG organization. The RETI transmission working group (TWG) will interact primarily with the CTPG assumptions and scenarios team which includes Mike Deis (SMUD), Udi Hellman (CAISO) and Garry Chinn (SCE). A joint WebEx meeting between the TWG and the CTPG team will be held Thursday, January 28, to discuss RETI proposals for input assumptions and scenarios. A draft plan is expected by the end of March and a final plan by end of April. (A CTPG stakeholder meeting was held on January 20 in which the CTPG draft report and process was discussed in greater detail.)

CAISO Presentation – Udi Hellman (CAISO)

Udi Hellman presented an over view of recent revisions to its renewable energy transmission plan (RETP^P) and schedule for further activities in 2009. The CAISO will use the CTPG statewide plan as the basis for the RETP^P for the CAISO balancing authority area. Additional stakeholder input to the RETP^P will be accepted.

CPUC Presentation – Anne Gillette (CPUC)

Anne Gillette presented an outline of the Commission’s long term procurement process with a focus on the renewable energy scenarios being considered. Efforts will be made to align CPUC renewable scenarios with those being developed by RETI, CTPG and others for use in transmission planning.

RETI Future Activities Discussion – Rich Ferguson (RETI Coordinator)

Anne Gillette presented a summary of policy issues which must be satisfactorily addressed by the CPUC before a permit to construct a new transmission line can be issued. The Commission has expressed a desire for RETI to help provide informal assessments of many of these issues, including appropriate consideration of demand- and supply-side alternatives, for example.

Rich Ferguson presented a conceptual outline of future RETI activities in lieu of a detailed list of recommendations as presented to the SSC at its November meeting. These activities fall into three general categories:

1. Continued participation in transmission and related planning processes underway by CTPG, CAISO, CPUC and others;

2. Maintenance of up to date renewable resource assessments for California and other Western states on an as-needed basis determined by the SSC
3. Continued outreach to a broader stakeholder audience and the public to obtain input and to explain the transmission planning process.

Strong support for continued involvement by RETI in all of these areas was expressed by several SSC members. There was no disagreement expressed, and discussion focused on activities which would be most helpful to RETI members. In the past, RETI has produced written reports providing assessments and recommendations on renewable resource areas and transmission proposals. It was acknowledged that the accelerated planning 2010 schedules may make it difficult to deliver similar written products consistent with these schedules. Nevertheless, SSC members expressed the desirability of producing such RETI deliverables when schedules allow.

It was noted that RETI's engagement on environmental issues related to renewable generation and transmission, with representation by Johanna Wald (NRDC) and Carl Zichella (Sierra Club), provides an environmental perspective on transmission planning which is rather unique for entities involved in transmission planning. Several suggestions were made to focus RETI attention on environmental assessments of transmission proposals. In particular, it was suggested that RETI identify the need for future transmission corridors and assist the CEC in the assessment and designation of these corridors.

Next Steps

The next SSC meeting was scheduled for Friday, February 26, 2010, to be held at the CEC in Sacramento (**Rich – we have a confirmed site in HR A**). The meeting was adjourned at 5 PM.

Attendance

26 SSC members attended the meeting in person or via WebEx, an excellent turnout despite severely inclement weather.

SSC Members Present in Person

Mike DeAngelis	SMUD
Perry Cole	Independent Transmission Owners
David Parquet (alt)	Independent Transmission Owners
Steven Kelly	IEP
Robin Smutny-Jones	CAISO
Linda Brown	SDG&E
Stephen Keene	IID
Andy Horne	CSAC
Mo Beshir	LADWP
Carl Zichella	Sierra Club
Johanna Wald	NRDC
Curt Hatton	PG&E
Kevin Dasso	PG&E
Dariush Shirmohammadi	CalWEA
Anne Gillette	CPUC
Linda Brown	SDG&E
Kevin Dasso	PG&E
Mike Hamilton	DOD
Gary Allen	SCE
Shashi Pandey	SCE
Clare Laufenberg Gallardo	CEC
Rainer Aringhoff	Solar

SSC Members Present on WebEx

Gregg Morris	Biomass
Arthur Haubenstock (alt)	Solar
Famarz Nabavi (alt)	Wind
Dave Singleton	Native American Tribes
Liz Easley	BLM
Billie Blanchard	CPUC
John McCaull	Geothermal
Scott Logan	CPUC
Julie Tupper	USFS
Dave Singleton	NAHC

Coordinators

Rich Ferguson	CEERT
Dave Olsen	CEERT

Others in Attendance in Person

David Miller	CEERT
Elden Cotton	Citizens Energy
Paul Scheurman	Citizens Energy

Anne Brierty	San Manuel Band of Mission Indians
Anthony Madrigal	San Manuel Band of Mission Indians
Ryan Pletka	Black & Veatch
Alex Silver	Black & Veatch
Garry Chinn	SCE
Heather Sanders	CAISO
Udi Helman	CAISO
Jaleh Firooz	AES Consulting
Ravi Iyer	Energy Capital Partners
Laura Manz	LJ Manz Consulting
Jim Avery	SDG&E
Jan Strack	SDG&E
Christian Hackett	Pattern Energy Group

Others in Attendance via WebEx

Tanda Gretz	Inyo County
Jim Kritikson	
Chip Ashley	Watts Valley Preservation
Barry Flynn	Flynn RCI
Melinda Merritt	CEC
David Oliver	Navigant
Robert Dowds	Mangano Ltd.
Joshua Hart	Inyo County
Chuck Najarian	CEC
Pattie Tuck	Agua Caliente Band of Cahuilla Indians
Paul Breakman	Duncan Allen
Ryan Drobek	CEERT
Karen Norene Mills	California Farm Bureau Federation
Ean O'Neill	CEC
Ron Dickerson	
Ray Camacho	Flynn RCI
John Moore	
Don Allen	Duncan Allen
Nhia Her	CEC