

# Draft Framework for Considering RETI's Future Scope

## January 19, 2010

### **Inputs needed for CPUC (and POU?) transmission permitting process:<sup>1</sup>** (not exhaustive for CPUC; see Public Utilities Code references below)

- 1.) Better level of assurance that an accessed area “would play a critical role in meeting the RPS goals:”
  - ⇒ Commercial interest;
  - ⇒ RETI CREZ identification, assessments and ranking<sup>2</sup> – *must be up-to-date*;
  - ⇒ Common resource planning and transmission planning assumptions across agencies/entities as to:
    - size of the 33% RPS “net short” (demand and customer generation assumptions)
    - priority supply-side resources
- 2.) Better information about the relative cost of the line and its alternatives:
  - ⇒ RETI conceptual transmission planning information;
  - ⇒ CAISO and CTPG work
- 3.) Information about cost-effective alternatives, including demand-side alternatives:
  - ⇒ RETI information about utility-scale alternatives, as stand-alone, as considered in the CPUC’s Long-Term Procurement Plan proceeding, and as carried forward into the transmission planning assumptions – *must be up-to-date*
  - ⇒ LTPP assessment of demand-side alternatives relative to supply-side
- 4.) Information about environmental impacts of project and its connected actions:
  - ⇒ Full CEQA review performed by CPUC
  - ⇒ RETI environmental assessment of CREZ and transmission segments helps utilities develop projects that may “perform” better under CEQA review

---

<sup>1</sup> CEC-CPUC letter to SSC, December 15, 2009: “It is clear that without extensive stakeholder support, transmission project applications will continue to face serious and perhaps insurmountable hurdles when it comes to siting approval. The state will not be able to meet its 2020 renewable energy and carbon reduction goals if it relies on business as usual approaches to transmission planning and development.”... “We invite RETI involvement in our agency forums and plan to give great weight to the RETI products in these forums.”

<sup>2</sup> In D.09-011-007, the CPUC approved SCE’s construction of a modified, California-only Devers-Palo Verde 2 line. Having directed SCE to supplement its petition with “projections of renewable energy resources identified by the Renewable Energy Transmission Initiative (RETI)”, the CPUC relied significantly on RETI’s analysis to justify the building of the line, specifically stating that “This Commission does not approve transmission lines based solely on interconnection requests” (p. 17).

**Draft Framework for Considering RETI's Future Scope**  
**January 19, 2010**

- 5.) Broad stakeholder support, to the extent possible, to minimize delays in the permitting process due to litigation on any of the above inputs:
- ⇒ RETI SSC represents a broad group of stakeholders; input of RETI SSC early in planning process, and subsequent modification of plans as necessary, may avoid delay and rejection of permit applications due to unforeseen concerns
  - ⇒ RETI facilitation of broader stakeholder education and input – through Plenary Stakeholder Group meetings, etc. – could be very helpful

**Draft Framework for Considering RETI's Future Scope  
January 19, 2010**

**Public Utilities Code**

Sections relevant to transmission siting (emphasis added)

1001. No railroad corporation whose railroad is operated primarily by electric energy, street railroad corporation, gas corporation, electrical corporation, telegraph corporation, telephone corporation, water corporation, or sewer system corporation shall begin the construction of a street railroad, or of a line, plant, or system, or of any extension thereof, without having first obtained from the commission a certificate that the **present or future public convenience and necessity require or will require such construction...**

...

1002. (a) The commission, as a basis for granting any certificate pursuant to Section 1001 shall give consideration to the following factors:

- (1) **Community values.**
- (2) **Recreational and park areas.**
- (3) **Historical and aesthetic values.**
- (4) **Influence on environment**, except that in the case of any line, plant, or system or extension thereof located in another state which will be subject to environmental impact review pursuant to the National Environmental Policy Act of 1969 (Chapter 55 (commencing with Section 4321) of Title 42 of the United States Code) or similar state laws in the other state, the commission shall not consider influence on the environment unless any emissions or discharges therefrom would have a significant influence on the environment of this state.

...

1002.3 In considering an application for a certificate for an electric transmission facility pursuant to Section 1001, the commission shall consider **cost-effective alternatives** to transmission facilities that meet the need for an efficient, reliable, and affordable supply of electricity, including, but not limited to, **demand-side alternatives** such as targeted energy efficiency, ultraclean distributed generation, as defined in Section 353.2, and other demand reduction resources.

...

1003. Every electrical and every gas corporation submitting an application to the commission for a certificate authorizing the new construction of any electric plant, line, or extension, or gas plant, line, or extension, not subject to the provisions of Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code, shall include all of the following information in the application in addition to any other required information:

...

(d) A **cost analysis comparing the project with any feasible alternative sources of power**. The corporation shall demonstrate the financial impact of the plant, line, or extension construction on the corporation's ratepayers, stockholders, and on the cost of the corporation's borrowed capital. The cost

**Draft Framework for Considering RETI's Future Scope**  
**January 19, 2010**

analyses shall be performed for the projected useful life of the plant, line, or extension, including dismantling or inactivation after the useful life of the plant, line, or extension.

- 399.2.5 (a) Notwithstanding any other provision in Sections 1001 to 1013, inclusive, an application of an electrical corporation for a certificate authorizing the construction of new transmission facilities shall be deemed to be necessary to the provision of electric service for purposes of any determination made under Section 1003 **if the commission finds that the new facility is necessary to facilitate achievement of the renewable power goals** established in Article 16 (commencing with Section 399.11)

...

CPUC Decision (D.) 07-03-012 established three-pronged test for “necessary to facilitate achievement” of RPS goals:

- (1) that a project would **bring to the grid renewable generation that would otherwise remain unavailable;**
- (2) that the area within the line's reach would play a **critical role in meeting the RPS goals;** and
- (3) that the **cost of the line is appropriately balanced** against the certainty of the line's contribution to economically rational RPS compliance.

1801.3. It is the intent of the Legislature that:

- (a) The provisions of this article shall apply to all formal proceedings of the commission involving electric, gas, water, and telephone utilities.
- (b) The provisions of this article shall be administered in a manner that encourages the **effective and efficient participation of all groups that have a stake in the public utility regulation process.**