RETI SSC Webex Call - April 13, 2010

Minutes

The main focus of the Steering Committee Meeting was to identify a scenario that would be submitted to the CTPG for Phase 3 modeling. Mike Deis of CTPG indicated that only 1 RETI scenario can be considered by the CTPG in Phase 3 because of the CTPG work load and due to commitments made to independent transmission owners to support modeling of transmission alternatives. (Originally, the SSC anticipated that 2 RETI scenarios would be submitted.) Forms will be available on line this week for those wishing to submit transmission project alternatives to the CTPG. In 2008, 11 projects were submitted to the CAISO by the independent transmission owners; in 2009 33 such projects were submitted. CAISO has not conducted any screening of these projects.

Rich Ferguson presented graphs of the RETI scenarios. Scenario 1 included a core of projects (projects that have a PPA, have applied for permits) and non-core projects. The portfolio of resources was weighted 70/30 in terms of in-state and out-of-state (OOS) resources. Scenario 1 was previously submitted to the CTPG for modeling in Phase 2 – results are expected to be available April 14 at the earliest.

Scenario 2 was previously rejected but was brought forward again for consideration by the group as a Phase 3 scenario/sensitivity. Scenario 2 is non-core only with data coming from the best ranked CREZ, also with a 70/30 in-state/OOS split.

Three variations of Scenario 3 were presented. Scenario 3 is considered cost-insensitive; it uses RETI environmental scores but does not factor in economic scores. Scenario 3A would include CA core/OOS core (based on having permits in hand) and CA/OOS non-core with total OOS at 32%. Scenario 3C would be similar to Scenario 3A except that the OOS share is reduced to 19%. Scenario 3B includes the same CA/OOS core but the non-core is comprised entirely of in-state energy; this would be the most "different" scenario.

The issues raised during the discussion included the following:

<u>"Pure RETI Scenario".</u> Dariush Shirmohammadi recommended that Scenario 2 be submitted because it includes both economic and environmental scores and most closely reflects the work done by RETI.

<u>Westlands and Owens Valley CREZs</u>. These CREZ were added late in the game and Carl Zichella requested that they be included in a scenario because of their environmental attributes (environmental scores would place them in the lower-left quadrant (LLQ) and different nature (industrial parks), even though their respective economic scores would not place them in LLQ. Including them would acknowledge the difficulty RETI had in determining how disturbed lands should be addressed. Westlands and Owens Valley would represent 8,000 GWh and 10, 600 GWh, respectively. It was identified that the CTPG modeled an Owens Valley scenario (5,000 MW PV plus gen queue resources) in Phase 2.

<u>Unidentified Criteria</u>. There were several comments suggesting that there be principles or clearly-stated criteria that drive the selection of a scenario.

Solano CREZ Inclusion. A factor in the Solano CREZ environmental score was its overlap with yellow and black habitat. However, this habitat is actually for delta smelt, which would have no bearing on a wind plant. Ignoring the overlap places Solano's score at the median, placing it in the LLQ.

Additional discussion topics included whether OOS resources should be included since they do not have environmental scores, and whether RETI could run additional scenarios on its own.

The group agreed to submit Scenario 2, including both Westlands and Solano, but not Owens Valley as Owens Valley is separately modeled in another CTPG scenario. All CREZ would be treated the same, with a similar proportion of each CREZ comprising the non-core. No core would be included. A 70/30 in-state/OOS split is included. Rich Ferguson will send out a spreadsheet of this new Scenario.

The next SSC meeting will be held May 3 at the CPUC in San Francisco. It may be just an in-person meeting. The meeting topics will include review/approval of the Phase 2 B report and discussion of how RETI can support the environmental review process for CTPG results.

The CTPG Stakeholder meeting will take place next week and will include a discussion of how individual projects will be analyzed.