RETI SSC - May 3, 2010

DRAFT Minutes

The meeting began with approval of the February 26 and April 13 Stakeholder Steering Committee minutes. The main focus of the Steering Committee Meeting was to review and consider approval of the RETI Phase 2B report.

Ryan Pletka of Black and Veatch summarized the Phase 2B final report and took questions on the final results. He concluded with a presentation on stakeholder concerns raised through written comments.

Phase 2B report Discussion

Black and Veatch included summaries of stakeholder comments in its presentation. Discussion occurred around the summary comments. Substantial conversation occurred on the inclusion of the Westlands and Owens Valley CREZs in the Phase 2B report. Some stakeholders felt new CREZs should not be added because it appeared different criteria were used while some stakeholders suggested that clarifying the process for including, defining and quantifying the potential of CREZs is needed. Other stakeholders noted that the commitment of 30,000 acres of disturbed land for renewable energy development was an unusual act and that leaving out such a CREZ would be a mistake. It was further noted that the decline in PV prices over the last 1 ½ years should be considered in evaluating the CREZs.

Stakeholders agreed that the process and criteria for including and quantifying CREZs should be clarified and refined going forward. A committee was formed to clarify and define the process for future CREZs refinements, and IEP and NRDC volunteered to serve on the committee. All agreed that continuing discussions on EWG methodology and CREZ criteria would be beneficial going forward. Those with concerns over CREZ methodology issues were invited to include their comments in the report as an appendix.

Two other issues, the sunset of incentives and the effect of integration cost on analysis, were addressed in the Phase 2B Report. The integration cost concern was addressed by Black and Veatch's integration cost sensitivity runs to get a rough idea of the effect of integration costs on CREZ ranking.

Several issues that will be considered by RETI in the future were raised for discussion including addressing the effects of TRECs, inclusion of other disturbed land areas and consideration of the effects of underutilized transmission capacity, including the effects of dynamic scheduling on the need for new transmission, modeling geothermal resources as base load resources rather than firming resources, and including the contribution of 1 to 5 MW DG.

Phase 2B Report Approved

Ryan Pletka concluded his presentation. Stakeholders agreed that a process for including and specifying CREZs needs to be refined for future work and a committee was formed to address the issue. Stakeholders agreed that the refinement issues raised by stakeholders can be accommodated in future RETI revisions but further revision to the Phase 2B report would not be conducted. The Phase 2B report

was approved with the offer to include appendices from parties who would like to clarify their opposition to specific portions of the report.

CTPG Presentation of Phase 2 Report and Phase 3 Study Plan

Jon Eric Thalman and Mike Deis presented the CTPG Phase 2 results and discussed the Phase 3 study plan. Jon Eric walked through the scenarios included in the Phase 2 plan and showed maps from the report that identify required transmission elements. Mike presented the Phase 3 study plan and indicated the scenarios currently projected to be studied in Phase 3.

BLM Solar PEIS Report

Ashley Conrad-Saydah walked through the status of the Solar PEIS and provided some milestones going forward. The PEIS is projected to be out as a draft in the November to December 2010 time frame and there will be a 90 day comment period. The PEIS can go final after the comment period and it could be as early as the spring or as late as the fall of 2011. For more information about the PEIS go to: http://solarpeis.anl.org . A question was raised about the timing of ARRA projects and it was indicated that if an EIS is done for an ARRA project then that project is not part of the Solar PEIS.

DRECP Update

Bob Copper, Director of DRECEP, joined by phone to report on the status of DRECP. Bob noted that there will be a DRECP stakeholder advisory committee meeting on May 27 and another meeting on June 9. The Independent Science Advisory Group recently met on April 22nd and 23rd. The purpose of the independent group is to provide advice on biology issues.

June activities will include a debrief by the Independent Science Advisory Group in a workshop, discussion of covered activities, presentation of GIS data, presentations by industry and utilities, and a briefing by BLM on cultural resources.

August and September activities will include meetings of the Covered Activities Work Group and the Biology and Cultural Resource Work Group.

CAISO Update

Gary DeShazo provided an update on the CAISO Renewable Transmission Planning Process RTPP. The purpose of the RTPP is to produce by 12/31/10 a set of least regrets transmission components that are needed to meet the 33% RPS. Gary presented a timeline showing the interactions between CTPG, CAISO and RETI over the remainder of 2010. The plan produced by the end of 2010 will be a reference case for its Balancing Authority Area against which all other cases studied will be compared. The Large Generator Interconnection Process and the RTPP will be coordinated carefully going forward.

CPUC Update

Anne Gillette reported on the LTPP which will focus on quantifying the fossil production that is needed to ensure reliability under several RPS compliance scenarios. The four RPS compliance scenarios are

time-constrained, cost-constrained, environmentally-constrained and the trajectory portfolios, respectively. A balanced RPS compliant scenario that melds portions of these four portfolios may also be produced. Anne then described the guiding principles that underlie the data, assumptions, methodology and scenarios for the LTPP.

CTPG-RETI Letter of Agreement

Rich Ferguson presented a document developed by CTPG and RETI which describes their respective commitments to work with each other in the conceptual transmission planning process. The RETI Coordinating Committee recommended including the letter in the RETI Phase 2B report. After discussion the SSC decided that the letter would not be included in the report but a paragraph describing RETI and CTPG interaction might be included in the Phase 2B Report if IEP, CTPG and RETI could craft a compromise. IEP, CTPG and RETI committed to working together following the meeting to see if a compromise paragraph could be crafted.

RETI Phase 3

Rich Ferguson led a brief initial discussion of potential RETI review of and comment on transmission projects which emerge from CTPG, CAISO and/or POU assessments in 2010. Ferguson suggested that a favorable review of a project by the RETI stakeholder steering committee after thorough discussion would be valuable to decision makers, as proposed in the RETI mission statement. There was discussion about the desirability of such a review, possible data sources, and methodologies. CPUC representatives pointed out that agency participation in such a review could not prejudge its CEQA review process. No consensus on these issues was reached and further discussion was deferred to the June SSC meeting.

The next SSC meeting will be held June 28 at the CAISO in Folsom.

In-Person attendance:

Billie Blanchard	CPUC
Linda Brown	PG&E
Kristin Burford	DVA/LSA
Kevin Dasso	PG&E
Mike DeAngelis	SMUD
Gary DeShazo	CAISO
Rich Ferguson	CEERT
Clare Laufenberg Gallardo	CEC
Christian Hacket	Pattern Energy
Curt Hatton	PG&E
Stephen Keene	IID
Carl Linvill	Aspen
Scott Logan	DRA
Sally Maki	B&V
Helen O'Shea	NRDC

David Parquet	Pattern Energy
Shashi Pandey	SCE
Hank Pielage	DRA
Ryan Pletka	B&V
Dariush Shirmohammadi	CalWEA
Jon Eric Thalman	PG&E