



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

P.O. Box 15129, Sacramento, CA 95851-0129 (916) 852-1673

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Comments of the
Transmission Agency of Northern California
In Response to the May 4 CEC Joint IEPR
and Siting Committee Meeting on Transmission
Docket Number: 09-IEP-1D 2009 IEPR Transmission

May 22, 2009

The Transmission Agency of Northern California (TANC) welcomes the opportunity to provide the Commission with comments on the recent Joint IEPR and Siting Committee Meeting on Transmission. TANC's membership currently consists of the California cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah; the Sacramento Municipal Utility District (SMUD); the Modesto Irrigation District (MID); and the Turlock Irrigation District (TID). The Plumas-Sierra Rural Electric Cooperative is an associate member of TANC. The members of TANC, collectively, deliver more electricity to their customers than San Diego Gas & Electric.

TANC represents successful collaborative transmission development. Established in 1984 as a Joint Powers Authority, TANC was formed by its members to develop, build, and maintain transmission for the benefit of its members.

TANC currently owns approximately 87 percent of the California-Oregon Transmission Project (COTP), a 339 mile 500-kV transmission line and associated facilities between southern Oregon and Tracy, California. TANC also has transmission rights contracted from the Pacific Gas and Electric Company. The Agency is a member of WestConnect, wesTTrans and the Western Electricity Coordinating Council and is registered at the North American Electric Reliability Corporation as a Transmission Owner, Transmission Planner, and a Transmission Service Provider.

Additionally, TANC, along with the Western Area Power Administration (WAPA), is currently engaged in development activities for the TANC Transmission Project (TTP). The TTP, which has begun its requisite environmental review process, entails the development of 600 miles of new high voltage transmission lines in northern California that will increase system reliability in northern California and will provide access to renewable resource areas in northeastern California as well as northwestern and central

Nevada. Should the TANC Members decide to proceed with the project after the environmental reviews are complete, the project could be on-line as early as 2014.

The aggressive renewable energy goals of the State will require considerable upgrades and additions to the current transmission system in order to access the renewable resources that tend to be prominently located in remote areas. TANC is fully supportive of a joint planning process that will facilitate the IOUs' and POU's abilities to develop the necessary transmission infrastructure to meet the renewable energy goals of their respective organizations as well as those mandated by the state of California.

TANC specifically wishes to present comments with respect to the Session #1 Roundtable: *Facilitating Coordinated Transmission Planning to Achieve the State's Renewable Policy Goals*.

1. Are the existing transmission planning processes the most effective means for achieving the state's renewable energy goals?

Existing transmission planning processes have been developed over decades to facilitate the construction of transmission infrastructure that is both reliable and also meets the needs of load serving entities. Existing processes have proven to be very effective in providing the State and region with a reliable and safe transmission system. If the needs of the load serving entities are compatible and/or consistent with the renewable energy goals of the State, existing processes can be an effective means for achieving the State's renewable energy goals. However, that does not mean that processes cannot be improved. Statewide planning will be most effective if it will facilitate development activities amongst the utilities by: 1) streamlining regulatory and siting issues; 2) avoiding duplication; 3) providing long-term insight with respect to the achievement of statewide goals; and 4) identifying the potential paths that can be utilized to reach these goals/ends.

2. Would a coordinated statewide transmission planning process be more effective in achieving the state's renewable goals?

Coordinated planning is both necessary and ongoing on a state and regional level. However, a statewide coordinated planning process must be careful not to impede transmission development at the POU or IOU level. Accessing renewable energy is but one of many reasons to build transmission; however, the primary purpose of transmission is to reliably deliver energy to load centers.

TANC believes that there are meaningful benefits that will result from coordinating the efforts of interested parties. However, these benefits can only be achieved if inter-organization coordination successfully limits procedural roadblocks that may delay transmission development. Each new proposed large transmission facility is being met

by increasing opposition from infrastructure opponents, NIMBYism, and other forces. A joint transmission planning process may provide a forum for overcoming these increasing obstacles to allow for the development of necessary transmission projects.

3. What are the key elements of a statewide plan?

Any statewide plan must be descriptive and not prescriptive. In the short run, a statewide transmission plan should not “select” or recommend transmission projects. Instead a statewide transmission plan should offer many options and attempt to anticipate complications that may increase the difficulty associated with transmission development. With these thoughts in mind, any statewide plan that can successfully streamline siting, regulatory, and other permitting issues/processes would greatly enhance the ability of the IOUs and POU's to develop and construct need transmission.

Another key element to consider in developing a statewide transmission planning process is the scope of objectives that are considered therein. Such a process should not simply address statewide renewable energy objectives but also short- and long-term reliability of the bulk electric system as well as economic impacts to California ratepayers, among other considerations. Consistent with this recommendation, transmission infrastructure, first and foremost, must reliably deliver energy to load centers in a cost effective manner.

4. What is the best time horizon for a statewide plan?

A statewide plan that is descriptive may have a time horizon of several decades. Statewide planning should not be undertaken as a short-term process, given that transmission lines are expected to last for several decades. The transmission development timeline is extensive, often taking 7-10+ years from conception to energization. A plan for 2020 seems reasonable. Any statewide plan that attempts to work on a shorter time frame runs the risk of hindering processes already underway and actually slowing development of transmission to renewable resources. With this in mind, the statewide plan should consider all transmission projects with projected in-service dates prior to 2020 as part of the 2020 Base Case for planning purposes.

Long-term transmission planning can attempt to foresee trends, allow development of necessary policies, and provide guidance at the forefront of new transmission planning initiatives undertaken by the IOUs and POU's.

5. Are joint IOU/POU transmission projects critical to a statewide plan?

Joint projects are crucial to transmission development at all times, to reinforce system reliability, lower costs, and avoid duplication. Any statewide planning activity should seek to limit unnecessary barriers and to facilitate joint transmission development.

6. What is the best forum for statewide planning?

Planning for specific transmission projects should remain with the individual POU's and IOU's. The CAISO, the IOU's, and the POU's have ALREADY put in place a process to develop a state-wide plan to satisfy the needs of all entities as they develop and integrate the renewable generation necessary to meet the state's 33% renewable energy goal and GHG mandates, as well as enhance operations, meet load growth, improve reliability, relieve congestion, and satisfy mandatory reliability standards. These effective processes should continue to be the primary forum for statewide transmission infrastructure planning.

7. What actions are necessary to implement a statewide transmission planning process and the resulting statewide plan?

As previously noted, planning for specific transmission projects should remain with the individual POU's and IOU's. The CAISO, the IOU's, and the POU's have ALREADY put in place a process to develop a state-wide plan to satisfy the needs of all entities as they develop and integrate the renewable generation necessary to meet the state's 33% renewable energy goal and GHG mandates, as well as enhance operations, meet load growth, improve reliability, relieve congestion, and satisfy mandatory reliability standards. These effective processes should continue to be the primary forum for statewide transmission infrastructure planning. To the extent that the CEC can facilitate and/or expedite necessary activities related to this process, it should do so without focusing on the re-development and/or re-engineering of the process itself.

TANC offers to assist the Energy Commission whenever possible as it works through these complicated transmission issues