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**THE STATE OF CALIFORNIA  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION**

In the Matter of:

Preparation of the

Integrated Energy Policy Report

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Docket No. 09-IEP-1D

**POST-WORKSHOP COMMENTS  
OF JOINT PARTIES ON  
TRANSMISSION PLANNING INFORMATION AND POLICY ACTIONS**

Pursuant to procedures set forth in the California Energy Commission's ("Commission") Integrated Energy Policy Report ("IEPR") Process, the California Independent System Operator Corporation, California Municipal Utilities Association, Imperial Irrigation District, City of Los Angeles Department of Water and Power, Pacific Gas and Electric Company, Sacramento Municipal Utility District, San Diego Gas & Electric Company, Southern California Edison Company, and the Transmission Agency of Northern California (collectively "Joint Parties") respectfully submit these Comments in response to issues raised at the June 15, 2009, workshop on transmission planning, including the Staff Straw Proposals for revamped transmission planning processes in California. These Comments submitted by Joint Parties collectively to further administrative economy in the Commission's IEPR proceeding and also to emphasize the consensus nature of the positions on core transmission planning issues among Joint Parties. Individual entities listed above may file separate comments.

At the June 15<sup>th</sup> Workshop, Commission Staff unveiled two Draft Straw Proposals for the transmission planning process in California, in the form of flow chart diagrams. Several representatives of Joint Parties provided initial impressions of the Staff Straw Proposals at the Workshop. Below, Joint Parties have provided general

comments on essential elements of a sound planning process. However, because of the complexity of the issue, and the quick turn around time between the workshop and today's Comment deadline, Joint Parties believe it is premature to provide a comprehensive critique of the Staff Straw Proposals at this time. As more details of the CPTG structure are solidified, Joint Parties will endeavor to provide the Commission further comments during the IEPR proceeding.

## **I. COMMENTS**

### **A. Background**

Joint Parties have participated in the Commission's IEPR process to provide input and constructive solutions in the hope of removing obstacles to the development of needed transmission infrastructure to meet grid reliability requirements, lower costs, minimize environmental impact, and meet California's stated energy policy goals. Joint Parties include the major Balancing Authority Areas in California as well as the major transmission owners and operators, and have Order No. 890<sup>1</sup> compliance obligations pursuant to relevant orders and regulations issued by the Federal Energy Regulatory Commission ("FERC") regarding regional transmission planning as a component of open access obligations. Several of the Joint Parties have formed the California Transmission Planning Group ("CTPG"), as outlined in prior Comments and in oral presentations at the IEPR workshops. The CTPG will further California energy policy goals by crafting a plan that facilitates development of transmission infrastructure to support the wide-ranging grid requirements enumerated above. Working together we avoid transmission

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<sup>1</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 FR 12,266 (March 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) (Order No. 890), *order on reh'g*, Order No. 890A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007).

duplication, optimize use of existing rights-of-way, reduce environmental impacts and lower costs for consumers.

**B. Order No. 890 Requirements.**

It is notable that Order No. 890 requirements include nine transmission planning principles that address many of the issues central to an open and inclusive planning process, including (1) coordination with customers and neighboring transmission providers; (2) open meetings available to all parties; (3) transparent in methodology, criteria, and processes; (4) opportunities for customer data and methodological input; (5) the obligation to meet specific service requests of transmission customers on a comparable basis; (6) a clear dispute resolution process; (7) regional coordination; (8) study of economic impact of congestion and integration of new resources; and (9) a process for allocating costs of new projects.

CTPG will bring together the various California transmission planning and operating entities to utilize consistent assumptions and methodologies to identify and address the transmission needs of California. CTPG will support regional and subregional planning activities in the Western Electricity Coordinating Council (“WECC”) as required by WECC regional transmission planning procedures and guidelines. Another component of the CTPG planning activities is compliance with the North American Electric Reliability Corporation (“NERC”) and WECC reliability standards so that the health of the power grid is not compromised.

**C. Essential Elements of Transmission Planning Process**

Joint Parties appreciate the initial efforts of the Commission to put forward the Staff Straw Proposals on how to integrate existing planning efforts with the Renewable

Transmission Planning Initiative (“RETI”) and the Commission’s Strategic Transmission Investment Plan (“STIP”). In the Workshops, representatives of the Joint Parties suggested modifications and requested clarification of various elements of the Straw Proposal. Instead of critiquing the Staff Straw Proposals, Joint Parties have enumerated below the essential elements of a sound and comprehensive transmission planning process.

1. Order No. 890 Compliance, including Transparency. The Joint Planning Group members have clear obligations to undertake coordinated planning under FERC Order No. 890, and that includes an open transparency with full input on methodologies and assumptions by interested parties. Any planning process must comply with Order No. 890 requirements.
2. Early Consideration of Environmental and Land Use Considerations. Joint Parties agree that any coordinated planning process must include a mechanism to factor in environmental and land use considerations early in the process. This is a primary lesson from the RETI process. We would add that consideration of environmental factors must occur along side other requirements, including reliable and economic system operation.
3. Planning Principles. The coordinated planning process should address and reflect considerations of such factors as reliability, cost, and environmental policy goals side by side, rather than looking at any one factor in isolation.
4. Avoid Redundancy and Multiple Forums. Any planning process must avoid duplication and redundancy whenever possible. Resources in the

current planning regime are already spread too thin. Our realistic assessment is that planning expertise lies within the entities that make up the CTPG.

5. Regional Coordination. Any planning process must feed into and be integrated with regional processes.
6. Utilization of RETI. The Joint Planning Group sees real value in utilizing RETI work product to inform the coordinated transmission planning process.

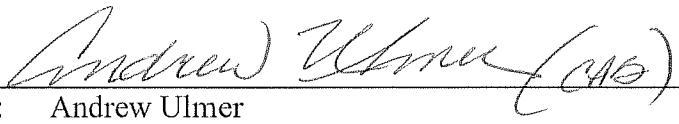
As the CTPG members have indicated to the Commission over the course of the IEPR process, the CTPG concept is under development and earnest work has begun among the members to develop further details of this proposal. Joint Parties believe that the CTPG is uniquely situated to bring together the planning expertise currently existing in California, along with the comprehensive perspective on planning necessary to create a statewide transmission plan.

### III. CONCLUSION

Joint Parties appreciate the opportunity to provide this input into the Commission's IEPR process and the Strategic Transmission Investment Plan. We look forward to continued participation and will keep the Commission informed of CTPG developments.

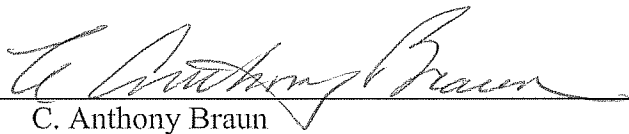
Dated: July 1, 2009

Respectfully submitted,

  
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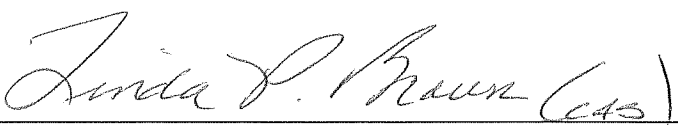
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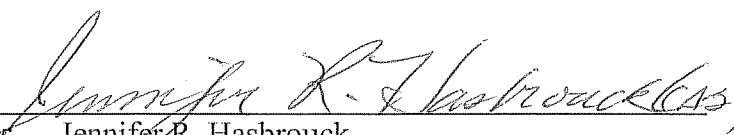
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