

October 23, 2009

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 09-IEP-1D  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.state.ca.us

<b>DOCKET</b> <b>09-IEP-1D</b>
DATE <u>OCT 23 2009</u>
RECD. <u>OCT 23 2009</u>

Re: California Energy Commission (Energy Commission)  
Docket No. 09-IEP-1D; Written Comments of Southern  
California Edison Company (SCE) on the Draft Joint  
Committee's Report 2009 Strategic Transmission  
Investment Plan

To Whom It May Concern:

Southern California Edison (SCE) appreciates the opportunity to provide comments on the Joint Committee's Draft 2009 Strategic Transmission Investment Plan (STIP) issued as part of the 2009 Integrated Energy Policy Report (IEPR) Proceeding. SCE is committed to working with the Energy Commission and other energy agencies within California, and at the federal level, to identify and implement actions required to ensure reliability, relieve congestion, and meet future growth in load and generation, including, but not limited to, renewable resources, energy efficiency, and other demand reduction measures. SCE's comments concern the newly formed California Transmission Planning Group (CTPG) and the new statewide transmission planning process.

California Transmission Planning Group (CTPG)

SCE appreciates that the Energy Commission identified in the STIP and in the public hearing held on October 8, 2009, that they would work with the recently formed CTPG. The formation of the CTPG is an effort to streamline the planning process and is consistent with establishing an open, coordinated statewide utility transmission planning process in accordance with FERC Order 890. We appreciate that the Energy Commission will give that effort its full support. SCE shares the Energy Commission's view that coordination among all electric utilities with the California Independent System Operator (CAISO) is critical to building efficiencies in future transmission infrastructure development.

The coordination efforts to be made by the CTPG will not be simple. The first challenge faced by CTPG is to develop a unified and coordinated view of all utilities committed procurement decisions including Investor-Owned Utilities (IOUs) and Publicly Owned Utilities (POUs). And then the challenge will be to add in prioritized Renewable Energy Transmission Initiative (RETI) concepts so that a single California model can be utilized to test the adequacy of the facilities. Once

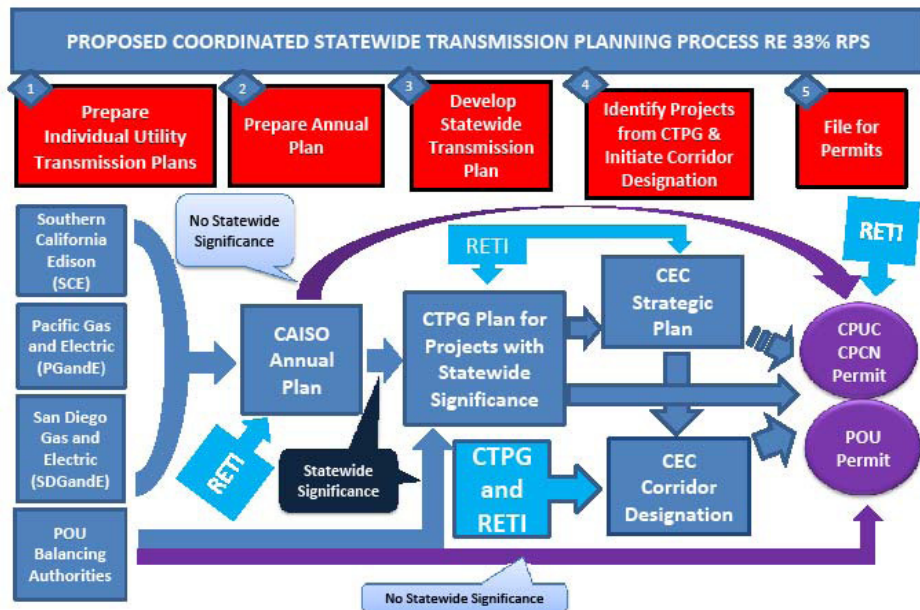
projects are created and joint participation decisions are made, utilities will be in a position to begin engineering and licensing activities of transmission projects. SCE and the Energy Commission are well aware that transmission siting and approvals in California can run into opposition and barriers even in cases where all possible efforts have been made to reach a consensus in the planning stage. SCE anticipates that the Energy Commission will recognize that the CTPG will face these obstacles in the arduous task before it.

#### Proposed Transmission Planning Processes

In the 2009 STIP, the Energy Commission advocates longer term transmission planning (10 year and 30 year plans). SCE shares the Energy Commission's assessment that one of the most significant recent developments toward a statewide transmission plan for California has been the (RETI) stakeholder collaborative. RETI has demonstrated that divergent stakeholder interests can influence the transmission planning process.

However, SCE finds the flowchart (see Figure 1) of the proposed transmission planning processes, as documented, to be confusing. The flowchart is an indication that various state agencies and utilities are all aligned in doing the right activities to achieve the state's renewable procurement goals. The flowchart is also an indicator that there will be numerous interactions between state agencies, utilities and other interested stakeholders. We are not convinced that a flowchart is needed to explain that concept. SCE believes that the flow of work is much simpler than indicated.

Figure 1. Sample Transmission Planning Flowchart



RETI should make high level transmission concept assumptions and thereby land use assumptions for a 30 year period; which largely become the basis for corridor designation activities and selected high priority transmission project development. The CTPG selects among the RETI identified options for those concepts to be developed into individual or joint projects. The projects from the CTPG Plan go into the CAISO plan for approval and into the Energy Commission's STIP and then on to permitting. Transmission projects can arise in a variety of venues that exist today, for example, from generator interconnection activities and third party transmission proposals. It is not useful to try to document the origins of any particular project. The STIP is useful because it (1) brings together information about various projects in the state, (2) describes where the project in its development, and (3) provides a useful basis for planning work to be done such as corridor designation activities that utilities will designate on long term projects.

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The primary benefits of RETI are the high level transmission concepts and the land use assumptions that it makes as well as the economic analyses of the Competitive Renewable Energy Zones (CREZs) that it performs. These components of the RETI process will change only slightly over time. It is for this reason, that SCE opposes the Energy Commission's proposed two-year RETI update cycle and reiterates its support for a 5 or 6 year cycle. Furthermore, a five-year RETI cycle frees the Energy Commission staff and utility transmission planners for corridor designation activities based on the RETI results.

SCE encourages continued collaboration as the new transmission planning process evolves. We plan to continue to be an active participant. Should you have any questions or need additional information about these written comments, please contact me at 916-441-2369.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez