

**DOCKET****09-IEP-1D**

DATE OCT 22 2009

RECD OCT 22 2009

P.O. Box 15830, Sacramento, CA 95852-1830; 1-888-742-SMUD (7683)

October 22, 2009

To: Docket 09-IEP-1D

RE: Comments on the Draft Joint Committees Report Titled “Strategic Transmission Investment Plan” – 2009 IEPR - Transmission

Thank you for the opportunity to provide comments on the California Energy Commission’s Joint Siting and Integrated Energy Policy Report Committees report titled “Strategic Transmission Investment Plan” or STIP. SMUD appreciates the work of the CEC in analyzing the overall needs of California for new transmission in light of state policies to accelerate the supply of renewable energy to meet a 33% goal by 2020. SMUD believes that new and upgraded transmission lines are critical to achieve this goal. Without new transmission, there will be fewer supply options available for utilities, likely resulting in increased costs to California electricity ratepayers. SMUD has been a strong supporter during the past two years of the State’s Renewable Energy Transmission Initiative (RETI), providing staff support to both the Coordinating Committee and the Stakeholder Steering Committee. SMUD has one major comment on the draft STIP report that addresses the inconsistency of the draft report with the results of the Renewable Energy Transmission Initiative.

RETI has conducted a two-year evaluation of renewable energy zones and the transmission lines needed to access these zones and also to deliver electricity to the major load centers of California. Without delivery to California's major load centers, fossil-generated electricity cannot be reduced for these load centers, making it difficult to reduce greenhouse gases emissions to meet AB 32 goals. RETI has included all of the major stakeholders in California in its planning process, including state & federal agencies, environmental organizations, local governments, the renewable energy industry, IOUs, POUs, ratepayer groups, and others, and has completed a series of reports culminating in the RETI Phase 2A report dated September, 2009¹. RETI has provided its highest recommendation in this report supporting the study by CAISO, IOUs and POUs for a group of "no regrets" Foundation and Delivery lines. These lines are needed regardless of which specific renewable energy zones are developed in California.

¹ Renewable Energy Transmission Initiative. Phase 2A Final Report. September, 2009. RETI-1000-20009-001-F-REV. California Energy Commission., Sacramento, CA.

The draft STIP report has recommended three priorities for transmission lines in its plan, using the RETI Phase 2A Final Report as a data source for its new recommendations². The first priority is a series of eight transmission projects recommended in the 2005 and 2007 Strategic Plans. The second priority is a new list of eight transmission lines that are a subset of RETI "no regrets" Foundation and Delivery lines. The STIP report selected this subset, stating that priorities need to be established for the approximately 20 Foundation and Delivery lines recommended in the RETI Phase 2A report. The reasoning cited in the STIP report for recommending this priority subset of the RETI "no regrets" Foundation and Delivery lines is to include those lines that do not require new transmission corridors. However, two of the second priority lines recommended from RETI actually do require new transmission corridors but, according to the STIP report, are needed to provide a link to major California load centers. Unfortunately, these two recommended transmission lines only support renewable energy delivery to some central valley and San Francisco Bay area load centers. Since the Sacramento area is a major California electricity load center, SMUD questions why the STIP report has omitted the RETI-recommended "no regrets" Foundation line to the SMUD Service Territory (i.e., the –Tracy – South Sacramento 500 kV line, titled in the RETI Phase 2A report as "Tracy - Dillard").

SMUD respectfully requests that the final STIP report recommend as a second priority all of the RETI-proposed new transmission lines that serve all major load centers in the State of California, including the Sacramento metropolitan area. SMUD has very aggressive Sustainable Power Supply and Renewable Energy supply goals and has been making excellent progress in achieving these goals, as indicated in annual compliance reports submitted to the CEC³. However, SMUD has noted in these reports for the past several years that transmission access remains a major barrier to the growth of renewable energy in the SMUD service territory. Transmission access will provide renewable energy at lowest cost to ratepayers, and will reduce greenhouse gas emissions by providing renewable energy to major load centers in California. Since CEC policy supports that all investor-owned and publicly-owned electric utilities should meet a 33% RPS supply goal in 2020, the draft STIP report currently undermines that policy by providing recommendations for only new or upgraded transmission lines to relieve congestion to some of the major load centers in the State. SMUD strongly recommends that the "Tracy – South Sacramento 500 kV line" be added to the second priority STIP recommendations to serve the Sacramento metropolitan area, and also any other RETI "no regrets" Foundation and Delivery lines should be added that provide access to renewable energy deliveries to major load centers in the State of California.

² California Energy Commission Draft Joint Committees Report. Strategic Transmission Investment Plan. September, 2009. CEC-700-2009-011-CTD. California Energy Commission, Sacramento, CA. Pages 8,9, 91 - 105.

³ Sacramento Municipal Utility District. 2007 Status Report on Renewable Energy at SMUD. May 2008. Sacramento Municipal Utility District, Sacramento, CA. Also reports submitted in May ,2006 and drafted for submittal in 2009.



P.O. Box 15830, Sacramento, CA 95852-1830; 1-888-742-SMUD (7683)

Thank you, once again, for the opportunity to provide comments to the Draft Joint Committees Strategic Transmission Investment Plan report.

MICHAEL DeAngelis
Manager, AR&DGT Program
Sacramento Municipal Utility District