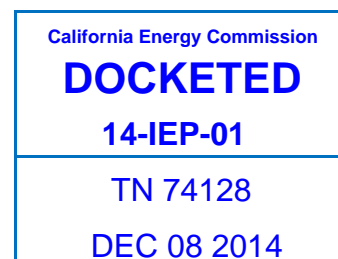




December 8, 2014

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 14-IEP-1
1516 Ninth Street
Sacramento, CA 95814-5512
Via email: docket@energy.ca.gov



Re: Comments of Starwood Energy Group on the 2014 Draft Integrated Energy Policy Report Update, Docket No. 14-IEP-1

Dear Commissioners,

Starwood Energy Group Global, Inc. ("Starwood") respectfully submits the following comments regarding the California Energy Commission's 2014 Draft Integrated Energy Policy Report Update, posted for review on November 10, 2014. Starwood appreciates the opportunity to comment.

Starwood supports the Draft IEPR Update's discussion in Chapter 8 of an energy agency commitment to making the most efficient use of existing transmission corridors to provide capacity for future use, taking into account the Garamendi Principles, which require technical and economic feasibility.

This policy should apply to all transmission infrastructure decisions, whether proposed by a utility or an independent transmission developer. The policy should allow for a more holistic look at need that takes into account a longer timeframe than the limited 10-year look, in strategic situations where opportunities exist for expansion of the carrying capacity of an existing line in a cost-effective manner that is consistent with the state's policy goals. Obviously, this policy needs to be applied carefully, given the important balance between building adequate capacity to meet anticipated needs and the concern regarding overbuilding. Accordingly, this policy should be applied with a "least regrets" approach that takes into account both (1) the cost of the incremental upgrade – approval should be contingent on a demonstration that the increase in capacity is materially less expensive on a per-megawatt basis than new construction, and (2) the location of the corridor – approval should take into account the location and use of the proposed line or upgrade, where multi-value use is given particular weight. Furthermore, greater emphasis should be put on opportunities that have a higher probability of success with low execution risk and low probability of cost increases.

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Starwood encourages the Commission to communicate this policy to the California Independent System Operator for consideration in its transmission planning process, beginning with the 2014-2015 Transmission Plan. As the Commission is aware, when evaluating what policy-driven transmission solutions to consider in its transmission planning process, the California ISO looks to state, federal, municipal and county directives. *See* California ISO Tariff, section 24.3.2(i). Communication by the Commission of this policy to the ISO will be necessary for the ISO to take the policy into account in its decision making process.

Thank you again for the opportunity to comment on the 2014 Draft Integrated Energy Policy Report Update.

Respectfully submitted,

/s/

Ali Amirali
Senior Vice President
Starwood Energy Group Global, Inc.