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California Wind Energy Association Statement, January 24, 2007

CAISO Approves Largest Wind Energy Transmission Project in U.S. History

The California Independent System Operator (CAISO) Board of Governors today approved the Tehachapi Transmission Project.

“With the official approval of this \$1.8 billion project, the starting gun has been fired for California’s new energy economy.

“The planning approach taken by the CAISO is extremely promising for California’s clean energy future because it simultaneously addresses system reliability and improved economics while providing access to renewable resources that our utilities require to meet the state’s renewable energy goals.

“This approach produces a comprehensive network upgrade that can be financed by the transmission owner, Southern California Edison, with cost recovery through transmission rates and some additional cost recovery protection provided by the state. The network configuration and clustering approaches taken by CAISO are a promising way to solve the need for renewable energy transmission going forward.”

--- Nancy Rader, Executive Director, California Wind Energy Association

Background info:

- The project will accommodate 4,500 megawatts (MW) of transmission capacity for new wind projects by 2013. (The transmission project will enable 700 MW of wind capacity to come on line by December 2008 and 2,200 MW by 2011.)
- The transmission project will tap wind in the Tehachapi Wind Resource Area, east of Bakersfield -- the state’s most concentrated wind resource area, where 700 MW of capacity is already operating and over 2,000 MW of planned projects are under contract, including a recently announced 1,500-MW contract with Alta Windpower Development LLC, the largest wind energy power purchase agreement ever signed.

- The Tehachapi wind resource area will then produce as much energy as is generated by California's Diablo Canyon nuclear power plant – and at prices *lower* than power from new natural gas-fired power plants.
- In addition to Tehachapi wind, the transmission project lays the groundwork for the integration of large amounts of planned geothermal, solar, and wind generation in Inyo and northern San Bernardino counties.
- Wind energy clearly has the potential to help California meet its ambitious new greenhouse gas reduction goals – while saving consumers money and creating jobs in the state.
- Wind farms were the country's second largest source of new generating capacity built in 2005, after natural-gas fired plants, according to the World Watch Institute and the Center for American Progress.
- The state's three major utilities have signed contracts for approximately 2,250 MW of wind generation capacity since the state's Renewables Portfolio Standard law was adopted in 2002, including approximately 260 MW that are already operational.

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