

## NEWS RELEASE

**For Immediate Release:**

Wednesday, July 9, 2008

**Contacts:**

Nancy Rader, CalWEA - (510) 845-5077

Shannon Eddy, LSA - (916) 731-8371

### **Wind and Solar Developers Say CAISO Queue Reform Proposal Makes Progress, But Needs Improvement for Timely and Efficient Renewables Growth**

July 9, 2008--The California Wind Energy Association (CalWEA) and the Large-scale Solar Association (LSA) today gave a mixed grade to the proposed Generation Interconnection Process Reform (GIPR) of the California Independent System Operator (CAISO), which is expected to be approved today by the CAISO Board of Governors and filed at the Federal Energy Regulatory Commission (FERC) later this month. CalWEA and LSA praised the CAISO for the basic approach of its proposed queue reform, but expressed concerned over the CAISO's proposed long timeline and its failure to ensure the integration of generator interconnections into transmission planning, which is needed to optimize transmission investments and reduce costs.

"The CAISO has succeeded in developing basic reforms that should begin to get us out of the morass we've been in," said Nancy Rader, Executive Director of CalWEA. The wind-solar group advocated many of the CAISO's proposed reforms, particularly the elimination of sequential generator interconnection studies. This case-by-case approach has been the chief cause of delays and uncertainty for project developers, which have been mired in the CAISO's interconnection queue awaiting transmission studies. CAISO's reformed process will study projects in geographical groups (*i.e.*, electrically-related "clusters"), improving planning efficiency. CAISO's reforms will also employ simplified transmission cost estimates, enabling generators to obtain cost certainty early on. With cost certainty, generators will be better able to finance projects and to commit to the interconnection agreements CAISO needs to proceed with transmission.

Although pleased with CAISO's basic reforms, the wind-solar coalition expressed disappointment with other elements of the proposal. "While the proposal tremendously improves the status quo, the study timeline remains untenably long and fails to integrate generation interconnections with the transmission planning process," said Rader. The wind-solar

coalition has maintained that studying generation interconnections along with other transmission system issues is the key to long-term queue reform, and to the cost-effective transmission California needs for both reliability and renewables growth. CAISO's plan suggests the two processes will be coordinated, but there is no evidence of coordination in the proposed tariff, the wind-solar coalition said.

“Under this proposal, renewable power generators in the ‘transition group,’ who may have applied for interconnection as early as 2006, will not be included in transmission plans until 2011 and—if major transmission upgrades are required—cannot expect to provide clean, renewable power to the grid prior to 2016. That is too late for projects that may be needed to meet the state’s RPS goals—and these are inequitable delays, stifle innovation and discourage renewable developers from participating in the California market,” said Shannon Eddy, Executive Director of LSA.

(Projects in the “serial group,” those associated with the Tehachapi Transmission Project or the Sunrise Powerlink Project, or that meet other CAISO criteria, are being studied on a fast track. If developed, these projects should be sufficient to meet the state’s 20% RPS requirement. However, if some of these projects are not developed, transition group projects may be needed to meet the 20% RPS requirement, and the current proposal would not move them through the process quickly enough.)

CalWEA and LSA have advocated a queue reform plan in the GIPR proceedings that would result in a faster, better-integrated planning process, and they intend to take their case to the FERC. “We believe the process has lost its intended focus. The highest priority should be finding transmission solutions that simultaneously bring new renewable generation on line quickly and improve grid reliability and economics. Unfortunately, the proposal seems to concentrate on keeping generator interconnections and overall transmission planning separate,” Eddy said. “We are committed to working with the CAISO to find ways to improve its proposal, eliminating interconnection delays and achieving optimized, cost-effective transmission improvements that benefit California.”

CalWEA’s comments on the CAISO’s proposed GIPR can be found at this link:  
<http://www.calwea.org/publicFilings.html>.

###