



California Wind Energy Association

August 14, 2007

Energy Division
c/o Honesto Gatchalian
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Draft Resolution E-4052 (revised from May 8, 2007 draft)

Dear Energy Division:

In this letter, California Wind Energy Association (CalWEA) provides comments on the latest Draft Resolution E-4052 ("Draft Resolution"), circulated on July 31, 2007, which would conditionally approve Southern California Edison's (SCE) Advice Letter 2062-E-A, filed April 2, 2007. In May 2007, the CPUC circulated an earlier draft of this resolution, on which CalWEA also submitted comments.

In our May 2007 comments, CalWEA supported SCE's proactive transmission planning initiative to access renewable resources, as proposed in its Advice Letter 2062-E-A of April 2, 2007. In that Advice Letter, SCE asked the Commission to approve the establishment of a Renewable Transmission Feasibility Study Costs Memorandum Account to study the feasibility of accessing new renewable resources located in Western Nevada, Inyo and Eastern San Bernardino Counties, the Salton Sea Area in California, and Western Arizona.

The July 31 Draft Resolution E-4052 proposes to transform SCE's initiative into what is now known as the California Renewable Energy Transmission Initiative (CRETI). CRET I is intended to develop a transmission plan for renewables covering the entire state of California and to engage other critical stakeholders and agencies including the California Independent System Operator ("CAISO") and the state's municipal electric utilities. CalWEA is in general agreement with this initiative and looks forward to directly and indirectly contributing to CRET I's goals.

However, CalWEA is very concerned that the work on CRET I, an effort which will be of value in the longer term, will take scarce SCE and CAISO technical resources away from tasks that are far more critical to advancing the state's more immediate renewable goals. These tasks are chiefly related to the successful interconnection of the numerous and very real renewable generation projects (reaching more than 40,000 MW) that are currently in the CAISO interconnection queue awaiting various forms of meaningful interconnection studies and interconnection agreements. Hence, CalWEA strongly recommends that the CPUC fashion Resolution E-4062 to ensure that SCE's participation in CRET I will not compromise its ability to immediately perform the tasks needed to interconnect the renewable projects that are already in the CAISO interconnection queue. Specifically:

1. The CPUC should designate the Tehachapi Wind Resource Area ("TWRA") and the San Bernardino Corridor (Eastern Inyo and San Bernardino Counties, extending just over the border into Nevada) as competitive renewable energy zones (CREZs). The potential of the TWRA has already been established. The high concentration of diverse resources in the San Bernardino Corridor justifies its immediate designation as a CREZ zone. As of August 10, 2007, 14,623 MW of renewable energy resources were in the CAISO queue in this area, comprising 40% of all renewable resources in the CAISO queue. This includes 3,606 MW of wind resources, which, together with the 6,100 MW of queued wind resources in the TWRA, represent about half of the wind projects in the CAISO queue. A number of the projects in the San Bernardino Corridor – both wind and solar – already have power purchase agreements with California utilities.¹ There is no need to spend eight months on the Phase I CRETI study to reach the conclusion that the San Bernardino Corridor should be designated a CREZ zone.
2. The CPUC should direct SCE to expend the necessary technical resources to help the CAISO complete all the generation interconnection studies for the projects in the Tehachapi Wind Resource Area ("TWRA") so that these resources can enter into Large Generation Interconnection Agreements ("LGIAs") with the CAISO and the buyers of renewable energy.
3. The CPUC should direct SCE to assign all the resources needed to help the CPUC effectively manage the CPCN process for the Tehachapi Renewable Transmission Project ("TRTP") in order to bring this project to a timely completion.
4. The CPUC should require that SCE work closely with the CAISO to immediately initiate "retroactive clustered resource interconnection studies" for all projects in the CAISO interconnection queue located in the areas identified by the draft resolution, namely the San Bernardino Corridor.² SCE then should work with CAISO to complete all the relevant technical work in order to identify the least-cost bulk transmission upgrades needed to interconnect these resources.

Establishing the TWRA and the San Bernardino Corridor as CREZs and proceeding with the aforementioned tasks is consistent with the envisioned CRETI process and will ensure that the CRETI process will not impede progress on developing transmission infrastructure to access resource areas of obvious and substantial potential. If these steps are not taken, the CRETI process – even if it is completed in the anticipated timeframe -- will serve to delay by at least eight months progress that is essential to meeting the state's clean energy goals. If the CRETI deliberations prove to be more time consuming than anticipated (e.g., if they prove to be contentious), CRETI could result in seriously delaying progress on developing transmission infrastructure in an area of the state (San Bernardino County) where the large quantity of queued resources clearly demonstrates the promise of the area.

¹ These contracts include the SCE Stirling contract (solar 500 - 850 MW), SCE Granite Wind contract (wind 42 – 81 MW), and PG&E Solel contract (solar 554 MW).

² As the queued resources are concentrated in the San Bernardino Corridor, extending just over the border into Nevada, this area deserves the greatest focus. Moreover, strengthening the grid in this area is likely to support imports from the other identified areas.

The clustered interconnection study of the San Bernardino Corridor queued resources, as presented above, will obviate the need to perform Phase 2 of CRETI for this area. However, this study can be coordinated with the CRETI process in order to facilitate the exchange of ideas that could benefit both processes.

In conclusion, while CalWEA agrees with the Draft Resolution that CRETI has significant long-term value for the development of renewable resources in California, the Commission and other responsible agencies such as the CAISO should keep their primary focus on the considerable work needed to complete interconnection studies and to develop transmission upgrades for the thousands of megawatts of renewable projects that already have taken places in the CAISO interconnection queue, thereby indicating the areas of the state in which the further development of transmission capacity to support renewables will be the most fruitful.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Rader". The signature is fluid and cursive, written in a professional style.

Nancy Rader
Executive Director

cc: Paul Douglas, Energy Division
Sean Gallagher, Director, Energy Division
President Michael R. Peevey
Commissioner John Bohn
Commissioner Rachelle Chong
Commissioner Dian Grueneich
Commissioner Timothy Simon
Service Lists R.06-05-027, R.06-02-012, and I.05-09-005