

California's Renewable Transmission Experience

ISO New England Regional Energy Conference

Wes Williams, Manager of Transmission Regulatory Policy
Southern California Edison

September 18, 2008

Tehachapi Groundbreaking



Backstop Cost Recovery and Trunkline

- California PUC Section 399.25 provides backstop cost recovery in retail rates for transmission for renewables
 - Applies to network upgrades and multi-generator gen-ties (trunklines)
- CAISO Location Constrained Resource Interconnection (LCRI – also called trunkline)
 - Transmission owners upfront fund upgrades and roll into transmission rates
 - Generators pay pro-rata share of annual revenue requirement as they interconnect to the line, offsetting a portion of transmission rates
 - Once trunkline fully subscribed, generators pay 100% of revenue requirement
 - Other features:
 - Total aggregate investment capped at 15% of net high-voltage transmission plant investment of all CAISO transmission owners
 - Project must demonstrate “adequate commercial interest” of 60% of the line capacity prior to commencement of construction

Renewable Energy Transmission Initiative (RETI) and Generation Queue Reform (GIPR)

■ Renewable Energy Transmission Initiative (RETI)

- Impetus was SCE Advice Letter Filing in 2006 to develop conceptual plans for “the next Tehachapi(s)”
- Steering Committee includes California PUC, California Energy Commission, California ISO, Munis, IOUs, Generators
- Phase 1: Identify and rank order competitive renewable energy zones (CREZ) within California, nearby states, and Mexico – Sept 2008
- Phase 2: Develop detailed transmission plans to deliver the top ranking CREZ in the most cost-effective and environmentally benign manner – July 2009

■ Generation Interconnection Process Reform (GIPR)

- CAISO queue as of July 31:
 - 361 Interconnection Requests
 - 105,000 MW (68,000 MW renewable)
 - CAISO peak load of 50,270 MW
- Goals: Clear existing queue backlog; increase cost of entrance and withdrawal; provide greater certainty and enhanced timing as to generator cost responsibility; improve integration of generation interconnection with CAISO Annual Transmission Plan
- Waiver to establish Serial and Transition Groups filed May 2008, approved by FERC July 2008
- CAISO tariff amendment to implement GIPR filed July 2008

Additional Information

- Tehachapi Renewable Transmission Project:
 - SCE websites:
 - <http://www.sce.com/PowerandEnvironment/GoalsandImprovements/CurrentTransmissionProjects/Tehachapi1-3/>
 - <http://www.sce.com/PowerandEnvironment/GoalsandImprovements/CurrentTransmissionProjects/Tehachapi4-11/>
 - CPUC website: <http://www.cpuc.ca.gov/PUC/energy/transmission.htm>
- Backstop Cost Recovery:
 - CPUC decision: http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/57298.htm
- Location Constrained Resource Interconnection:
 - CAISO website: <http://www.caiso.com/1816/1816d22953ec0.html>
- Renewable Energy Transmission Initiative:
 - CEC website: <http://www.energy.ca.gov/reti/>
- Generation Interconnection Process Reform:
 - CAISO website: <http://www.caiso.com/1f42/1f42c00d28c30.html>