

Stakeholder Comment

Subject: 2010 California ISO Transmission Plan Draft (“Draft 2010 Transmission Plan”)

Submitted by	Company	Date Submitted
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The Nevada Hydro Company (“NHC”) submits for consideration by the CAISO and other interested participants the following comments on the Draft 2010 CAISO Transmission Plan. NHC supports the CAISO’s stated objective of rationalizing and better defining the transmission planning process. Nevertheless, NHC continues to assert that the CAISO arbitrarily and without justification and support from its own Tariff, removed from its own planning processes NHC’s Talega-Escondido/Valley-Serrano 500 kV Interconnect Project (“TE/VS Interconnect”). NHC requests once again that the CAISO reinsert the TE/VS Interconnect into its 2010 Transmission Plan. The TE/VS Interconnect was in the 2007 and 2008 Transmission Plans, and then was arbitrarily removed from the 2009 plan. NHC protested that removal, and restates its objections to the CAISO’s arbitrary continuance of this omission. The CAISO is fully aware that the project is actively being advanced by NHC and that:

1. Since as early as 2007, the TE/VS Interconnect has been designated as a critical Statewide transmission resource in the California Energy Commission’s (“CEC”) 2007 Strategic Transmission Investment Plan, CEC-700-2007-018-CMF.” The project has remained in subsequent plans for 2008 and 2009. In these plans, the CEC advised that this, and other recommended projects “are strategic resources that require specific, swift, and priority consideration by state regulators.”

2. The TE/VS Interconnect has active dockets at the FERC addressing rate base and other issues (see FERC Docket ER06-278).

3. The TE/VS Interconnect is part of the project identified in the Final Environmental Impact Statement issued by FERC in connection with the Lake Elsinore Advanced Pumped

Storage Project (see FERC Docket P-11858). The CAISO is fully aware of the relationship of the two projects, and that LEAPS is number 72 in the CAISO's queue and that the project has an LGIA with San Diego Gas & Electric (see FERC Docket ER08-654) and is in negotiations with Southern California Edison.

4. The TE/VS Interconnect was first approved by the CAISO when it was known as the Valley-Rainbow project. The CAISO is fully aware that when Valley-Rainbow's developer, San Diego Gas & Electric, failed to get the project approved, that NHC assumed responsibility for completing it.

5. Since the Valley-Rainbow approval, the CAISO has refreshed its analysis of the project at least two more times: First in connection with the STEP proceedings and later in connection with the CSRTP proceedings, and that these CAISO analyses continued to find that the project would benefit ratepayers.

6. The TE/VS Interconnect is located in the middle of the "critical congestion area" defined by the Department of Energy under the authority granted to it by Section 1221(a) of the Energy Policy Act of 2005, 119 Stat. 594, 946-951 (2005) (16 U.S.C. § 824p). The CAISO is fully aware that this project is currently the only transmission connection far enough advanced in planning to solve the problems identified in this corridor in a timely fashion.

7. The TE/VS Interconnect was designated as the "preferred transmission alternative" in the CPUC's Final Environmental Impact Report for the Sunrise Powerlink project (SCH #2006091071, DOI Control No. FES-08-54).

NHC will not repeat all of the comments and arguments it has made previously on this issue but, based upon the CAISO's own planning criteria, the TE/VS Interconnect **MUST** be included in the 2010 Transmission Plan and should **NEVER** have been excluded from the 2009 Plan in the first instance. This omission continues to raise our significant concerns with the fairness and transparency of the transmission planning processes, and delays the considerable ratepayer benefits associated with this and other similarly treated projects.