



California ISO
Your Link to Power

News Release

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California ISO okays first location-constrained transmission project

New resource interconnection process solves chicken-or-egg dilemma

The California Independent System Operator Corporation (California ISO) Board of Governors today broke new ground in greening the grid by approving the Highwind Project transmission upgrade that will reach renewable generation facilities planned for a remote area of California.

The Highwind Project includes about 10 miles of transmission lines and a new substation in the Tehachapi area. It is the first project considered under new rules that allow the California ISO to designate a renewable energy resource area and allows Highwind to move forward under the Location Constrained Resource Interconnection (LCRI) process approved by the Federal Energy Regulatory Commission in late 2007. The LCRI process provides a way for the ISO to approve a project based on its ability to access remotely located wind, solar, geothermal or other renewable areas. And it sets up a cost recovery and project approval mechanism that breaks the “chicken-or-egg” dilemma.

“The remote areas in California with the most potential for wind, solar and geothermal resources often do not have the transmission infrastructure in place to get the green power on the grid,” said California ISO Board Chair Mason Willrich. “The ISO proposed and FERC approved a new mechanism that paves the way for easier financing and development of needed renewable power projects. Smaller developers no longer bear the brunt of the upfront costs of investing in the transmission lines. This is a big step in meeting California’s renewable energy goals.”

The Highwind Project, at an estimated cost of \$46.1 million, would not ordinarily need board approval as it is under the \$50 million threshold. The interim approval process under the LCRI though requires board designation as a renewable area.

A preliminary report from the Renewable Energy Transmission Initiative (RETI) looked at 37 Competitive Renewable Energy Zone (CREZ). The Tehachapi resource area ranked seventh best for economic and fourth best for environmental. The Tehachapi wind resources area was also identified as having the largest potential annual energy output of all evaluated zones, with an estimated 25,091 GWh per year.

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The California ISO operates the state’s wholesale transmission grid, providing open and non-discriminatory access supported by a competitive energy market and comprehensive planning efforts. Partnering with more than 90 client organizations, the ISO is dedicated to the continual development and reliable operation of a modern grid that operates at the least cost to the benefit of consumers. The ISO bulk power market allocates space on transmission lines, maintains operating reserves and matches supply with demand. Recognizing the importance of global climate change, the ISO welcomes new, advanced technologies that will help meet the energy needs of 30 million Californians efficiently and cleanly. The ISO is a not-for-profit public-benefit corporation.