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Comments of TransWest Express LLC  
2011/2012 Conceptual Statewide Transmission Plan Update  
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Introduction

TransWest Express LLC (TransWest) appreciates the opportunity to comment on the 2011/2012 Conceptual Statewide Transmission Plan Update issued by the California Independent System Operator Corporation (ISO). TransWest is the developer of the 725-mile, 3,000 MW, 600 kV high-voltage direct current (DC) TransWest Express Transmission Project (TWE Project) designed to deliver cost-effective renewable energy from Wyoming to California, Nevada and Arizona. The TWE Project is an interstate transmission line that will interconnect with the ISO BAA (Balancing Authority Area), other California BAAs, and non-California BAAs in southeastern Nevada.

TransWest provided a detailed description and update on the TWE Project within comments provided to the ISO in March 2012 on the 2012/2013 Transmission Planning Process. Development continues on the project as outlined in that document. In September, TransWest filed transmission to transmission interconnection requests with the owners of substation facilities in southeastern Nevada. TransWest is currently working with other WECC members -- including the ISO -- within Phase 2 of the WECC Path Rating process and plans to conduct the required System Impact Studies associated with the interconnect requests. TransWest plans to complete these studies by mid-2013.

## **Recommended Modifications to the 2011/2012 Conceptual Statewide Transmission Plan**

1. Include potential interstate transmission lines and proposals to access high-quality resources in the Rocky Mountain region.

The 2011/2012 Conceptual Statewide Transmission Plan should be modified to include a potential interstate transmission line that would provide utilities and consumers in California, Nevada and Arizona with access to cost-effective resources located in the Rocky Mountain region. The Rocky Mountain area and specifically Wyoming is an area that has not been identified in the plan. Such an interstate transmission line would be a viable and cost-effective alternative or addition to projects listed within the 2011/2012 Conceptual Statewide Transmission Plan. While an interstate transmission line may be an alternative for projects in the ISO portion of the Plan, the funding source for the TWE Project is not planned to be through the ISO (or other BAA) transmission tariffs. The TWE Project is being developed as an independent, participant-funded, interstate transmission project. However, any required upgrades to the ISO system to accommodate such an interstate project would need to be included within the ISO TPP.

The Rocky Mountain region, and in particular Wyoming, has vast amounts of energy resources including the highest-quality wind resources in the region and the country. The 2011 10-Year Regional Transmission Plan, prepared by the Western Electricity Coordinating Council (WECC) with funding from the U.S. Department of Energy and participation by several California stakeholders, analyzed several remote regions coupled with alternative inter-regional projects, and the Plan identified that accessing the Wyoming region with an interstate transmission line would potentially save hundreds of millions of dollars per year for California consumers. The potential interstate line between Wyoming and southeastern Nevada would access the Southwest Corridor that has been identified within the 2011 CTPG Statewide Transmission Plan as a “High Potential Transmission Corridor.”

Within the ISO 2012/2013 transmission planning cycle, the ISO has or will study a sensitivity case of a high out of state import scenario to examine the effects on the high voltage 500 kV system within California. The purpose of the study is to provide information only. To date, information on this sensitivity has been limited to providing references to the Cluster 4 study that looked at a potential Large Generator Interconnection Agreement (LGIA) interconnection for a 3,000 MW, full deliverability interconnection with the ISO. The Cluster 4 study concluded that the ISO network upgrades to facilitate such a generator interconnection would be on the order of two to three billion dollars.

However, TransWest has been conducting system analysis in preparation and in support of the WECC Path Rating process for the TWE Project. TransWest has been working with other WECC members, including the ISO, on the Path Rating study plan and is in the process of providing study results for review by WECC members. The preliminary results from this analysis shows that the Cluster 4 study significantly overstates the scale of infrastructure required to interconnect and integrate an interstate transmission project into the ISO BAA and the other BAAs located in southeastern Nevada. TransWest looks forward to the publication of the results from the ISO on the high import impacts on the ISO 500 kV system. This information

along with the cost estimates of other projects within the 2011/2012 Conceptual Statewide Transmission Plan will be very useful to all stakeholders to help inform their respective decision making.

2. Provide more detailed data and cost estimates about the potential transmission projects listed in Table 2.

In addition, TransWest recommends the addition and modification of information provided with the Conceptual Plan Summary. Table 2 provides useful data on the Transmission Projects included within the Plan; however, there are several key data points that would provide greater transparency about the Conceptual Plan that would assist all stakeholders in considering the overall Plan and individual projects.

The 2011/2012 Conceptual Statewide Transmission Plan represents a transmission infrastructure investment plan for California consumers, or at least the foundation for an investment plan. As with any investment plan, the cost and timing of these investments are critical data points to be considered within the planning and approval process. In addition to the TPP, transmission cost assumptions are being used in other economic planning processes (e.g. the CPUC's Long Term Procurement Planning, the WECC's Regional Transmission Expansion Planning process) and within the approval process of other transactions such as renewable energy PPAs. Providing updated data on the estimated cost for these projects within the Summary Table of the Plan will help with the review of the Plan and the coordination of all of these other processes that evaluate transmission alternatives.

TransWest has conducted some research on the cost estimates for the projects included within Table 2 of the Plan Update. Based on these rough calculations, the Plan includes approximately \$5 billion in transmission infrastructure investments. TransWest found that the projects within the Plan include projects with varying scope that generally fit into two categories. Several of the projects include tens of millions of dollars in investments (e.g. Carrizo, Contra Costa, Borden to Gregg) and others include hundreds of millions of dollars (e.g. Tehachapi, Colorado River to Valley, Eldorado to Ivanpah, West of Devers, Pisgah to Lugo, and Coolwater to Lugo). These six large projects are estimated to cost on the order of \$4.75 billion (approximately 95% of the Plan) and provide about 85% of the total delivered renewables included within the Plan. As stated above, the estimates made by TransWest are rough and should only be included as an order of magnitude estimate. Investment decisions require far more accurate cost estimates. The ISO should provide the best available cost estimates of these projects for stakeholders to consider and for other planning processes to use in subsequent planning cycles.

The other important distinction referred to in the Update is that several of the projects included within the Plan have been approved by the ISO and several are still in the approval process. It would be helpful to specifically identify the projects that are still in the ISO approval process within Table 2. The terms "LGIA" and "Transition Cluster" within the ISO approval column do not specifically indicate whether the ISO has approved the projects but refers to the type of

approval process. Note that the Eldorado to Ivanpah and the Coolwater to Lugo projects both have "LGIA" listed in the ISO Approval column, yet the two projects have different status with respect to ISO approval.

As indicated in the Plan Update document, the distinction between the approved projects, the projects progressing through the approval process, and any additional transmission projects is very important. TransWest recommends that the ISO approval status be clearly identified directly on the summary table of the Plan. TransWest notes that the CTPG 2011 California Statewide Transmission Plan identified the ISO approval status of the projects with a yes or no statement. There may be some inconsistencies between the approval status indicated in the CTPG document versus the 2011/2012 Conceptual Statewide Transmission Plan Update. Including the specific status will help clear up these potential inconsistencies.