Transmission Chickens and Alternative Energy Eggs – The CPUC Solution

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Need for the line – The utility must apply for a Certificate of Public Convenience and Necessity (CPCN)


Environmental review of the proposed route and alternatives

- *California Environmental Quality Act (CEQA)*
California Renewable Portfolio Standard (RPS)

- 20% by 2010
  - SB 1078 established an RPS of 20% by 2017. Senate Bill 107, passed in 2006, accelerates the RPS goal to 20% by 2010
- 33% by 2020
  - To meet the requirements of AB 32, California’s Global Warming Solutions Act of 2006
Key Hurdles to Meeting RPS

- Transmission
- Transmission
- Transmission
CPUC Actions to Make Transmission Happen

- Streamlined transmission permitting process
  - [http://www.cpuc.ca.gov/static/energy/environment/060713_transmissionprojectreviewstreamliningdirective.pdf](http://www.cpuc.ca.gov/static/energy/environment/060713_transmissionprojectreviewstreamliningdirective.pdf)

- Backstop Rate Recovery – D.06-06-034

- Proactive collaboration with California ISO, utilities, stakeholders, and federal land use agencies
Tehachapi – A Case Study

Project:
- 4500 MW of new wind generation - Approx. $6B in infrastructure investment
- Over 250 miles of new transmission line - Approx. $1.8B in infrastructure investment
- Formation of Tehachapi Collaborative Study Group
- Designation of CPUC Project Manager
- Development of “Plan of Service”
  - Single CPCN application
  - Joint EIR/EIS
  - Focused on specific areas of interest to RPS developers
Tehachapi – A Case Study

- Cost recovery hurdles addressed via project structure (mostly network facilities) + CPUC Backstop Rate Recovery mechanism
- Coordinated pre-permit work among CPUC, ISO, and SCE staff
- Significant public outreach
- Anticipated CPUC permitting schedule: July 2007 – December 2008