

Presentation for June 2, 2005 FERC Conference
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Legislation was enacted in 2002 that requires the California Energy Commission to prepare an Integrated Energy Policy Report (Energy Report) every two years, with annual updates. The initial report was to be completed by November 1, 2003.

With regard to transmission, the Energy Report will include an assessment of California and western regional electricity and transmission capacity and use.

In conducting this assessment, staff was:

- To ensure that decision makers have the qualitative and quantitative information to make informed decisions that are understandable to the public
- To ensure that stakeholder involvement is effective, appropriate and timely
- To ensure that the transmission effort is integrated with work in other project areas
- To provide a complete record for the Committee to develop the Energy Report

For the 2005 Energy Report, staff will focus on four areas for its transmission assessment.

1. Overview of California's transmission system status that includes:

- Examination of local reliability concerns
- Examination of congestion concerns (particularly southern CA)
- Ability to connect renewable resources

2. Assessment of near- and longer-term transmission projects and paths that includes:

- Intrastate projects such as the SDG&E 500 kV interconnect, LEAPS and the Trans Bay cable
- Interstate projects such as Devers-Palo Verde II, short-term STEP upgrades and CFE upgrades
- Renewable projects such as the Tehachapi upgrades and the IID Green Path Initiative

3. Examination of the impact of transmission on renewables development that includes:

- Identifying renewable operational system integration issues and developing recommendations for mitigation. This is important in that 4000 MW of wind potential exists in the Tehachapi area yet interconnection of this large quantity of intermittent resource causes concerns to system operators and planners.

4. Identification of corridors to meet long-term needs that includes:

- San Diego/Imperial Valley area

- Tehachapi north area

Staff's transmission assessment will be derived from information provided by not only the California investor-owned utilities and the CAISO, but also from the California municipal utilities, federal power marketers and out-of-state parties.

In addition, supplemental information has been provided through the numerous transmission workshops that have been held throughout the process. These workshops typically included panel discussions in order to allow for greater participation by all stakeholders.

The results of this years' assessment will be documented in staff's transmission report that will be released in mid-July 2005 and be subject of a workshop at the end of July.

As a result of legislation enacted in 2004, the California Energy Commission is now required to prepare a Strategic Transmission Investment Plan that will be completed in concert with the biennial Energy Report. Staff's transmission report will provide the foundation for development of the Strategic Transmission Investment Plan. It is the goal of the plan to ensure that the investment community has the transparency and certainty it needs to stimulate investment in transmission.

The 2005 Energy Report and Strategic Transmission Investment Plan are scheduled for completion by November 1, 2005.