



Federal Energy Regulatory Commission
April 19, 2007
Open Commission Meeting
Statement of
Commissioner Marc Spitzer

Item E-5: California Independent System Operator Corporation (Docket No. EL07-33-000)

"In this order we approve, in concept, a financing mechanism that should provide consumers in California and neighboring states better access to renewable resources at just and reasonable rates. This order is a major step forward in FERC's policy of encouraging investment in facilities to assure the interconnection and transmission of plentiful supplies of renewable energy, including wind, solar and geothermal resources, for years into the future.

The FERC recognizes distinctions between renewable resources and traditional generation resources. For example, in certain regions of the country renewable resources are remote from demand and, as a result, sellers of renewable resources often face interconnection and cost allocation issues that other generation sources do not face. Traditional resources may choose where to be located and thereby exercise some control over their interconnection and transmission costs in a fashion that renewable resources simply cannot. These distinctions impose certain obstacles on a renewable resource's ability to serve customers and thereby limit those customers' options.

Today's order approves a mechanism that removes these obstacles in a fair and balanced manner. For example, the order would initially roll-in the costs of the interconnection facilities to the transmission revenue requirement of the transmission owner that constructs the facility. All users of the transmission grid would pay the costs of any unsubscribed portion of the line until the line is fully subscribed. To ensure, however, that facilities are not unnecessarily built, the order requires the transmission owner to demonstrate a sufficient level of interest from location-constrained generators in the facility's capacity before it is built and the facility must be approved in the Cal-ISO's transmission planning process.

Finally, and very importantly, this order not only furthers the FERC's goals, but also furthers the goals of the people of California. The people of California, through their elected representatives and State agencies have established aggressive goals for renewable resources. This Order appropriately considered the Federal and state policy goals and it assures that there will be adequate infrastructure to transmit renewable electrons to market for the ultimate benefit of ratepayers. I therefore proudly support this Order Granting the CAISO's Petition for Declaratory Order."