



December 16, 2010

Chairman Jon Wellinghoff

**STATEMENT**

FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. ER10-1401-000, ER10-2191-000, and EL10-76-000

Item No. E-5

## Statement of Chairman Jon Wellinghoff on California's Revised Transmission Planning, Generator Interconnection Proposals

"We are on the eve of a new decade and CAISO and its stakeholders have proposed a revised process to plan for expansion of a reliable transmission system. I congratulate them for continuing to strive to address the challenges that lie ahead through open, transparent and efficient planning processes...

There are several aspects of CAISO's proposal that contribute to my decision to vote to approve it. Among them are:

- CAISO will expand and formalize, through a state-wide conceptual plan, regional coordination with all the balancing authorities in the state of California, including those that are not members of CAISO, in development of transmission plans;
- CAISO and its stakeholders will take a comprehensive look at transmission infrastructure needs in a way that seeks to address reliability, economic and policy objectives in a coordinated and efficient way;
- It will take a comprehensive look at transmission and non-transmission alternatives so that the final plan will set the stage for construction of needed transmission infrastructure at a reasonable cost to consumers;
- CAISO will conduct a competitive solicitation for developers to build and own the economically-driven and policy-driven elements of the comprehensive transmission plan;
- New renewable energy projects, particularly wind and solar, figure prominently in its interconnection queue due to California's renewables goals. CAISO has proposed a process to identify the transmission facilities needed to reliably integrate these new resources and to recover the associated costs through its transmission access charge.

I view approval of CAISO's proposal as another step in the Commission's efforts over the past two decades to establish processes that get needed transmission built at reasonable costs to customers in order to ensure reliability and provide access to markets for new generation. I look forward to seeing CAISO's revised planning process achieve these goals."