



December 17, 2007

Doug Dean, Director  
Colorado Public Service Commission  
1560 Broadway, Suite 250  
Denver, CO 80202

RE: Docket No. 07M-446E – Comments on Xcel’s SB-100 Filing

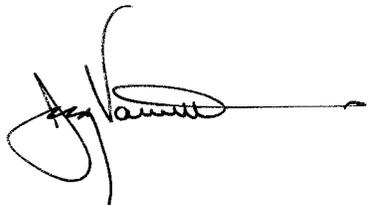
Pursuant to Docket No. 07M-446E, Trans-Elect Development Company, LLC, an independent transmission company with offices in Colorado and developing transmission projects in Colorado, provides the following comments relative to Xcel’s recent filing to the Colorado PUC in compliance with HB-100:

- Xcel’s report is an accurate characterization of the complexity of transmission planning within WECC which is exacerbated by the absence of a WECC-wide RTO. The imposition of SB-100 both complicates and bodes well to improve the process for Xcel, as it is now has the opportunity to recover CWIP and its investments for building transmission to serve renewables in advance of generation.
- SB-100 requires biennial filings by Xcel which are to be simultaneously supported by CPCN filings. This two-part requirement imposes material timing constraints on Xcel’s ability to submit plans to meet the specific interests of individual projects and the communities in which they are located – particularly for this inaugural effort at SB-100 compliance. This is further complicated by uncertainties in the PUC approval process for CPCNs. Adding irony to these complications is the fact that Xcel’s service territory does not extend into some of the renewables areas, which are instead served by public utilities not subject to SB-100 (Tri-State G&T and Western Area Power Administration).
- As documented by NREL, there is substantially more “developable” wind potential in the region than could be accommodated within Colorado or the adjoining states (in both RPS and competitive markets). As such, the public interest will be best served by building transmission to serve the most cost-effective renewable areas, rather than attempting to access all the regions where renewable potential exists. Information to make that assessment is not yet available, but steps are being taken to rectify the situation in time for Xcel’s next SB-100 filing in 2009 (see below).
- Three simultaneous processes are underway which are expected to provide the information necessary for Xcel’s future SB-100 filings: (1) SB-91 which will map and characterize renewable energy development potential within Colorado, (2) NREL’s Western Renewables Integration Study, and (3) bids submitted in response to Xcel’s Colorado Resource Planning process. Without such information, Xcel is limited in its ability to prioritize the location of cost-effective transmission plans to serve renewables which might otherwise lead to the overdevelopment of transmission at public expense (i.e., building to the wrong locations or to too many locations).

- Xcel's SB-100 filing sets the stage for material injections of renewable power into the Xcel system in both the short and long term, despite the fact that it has already arranged to meet its RPS compliance obligations for well into the future. In effect, it has proposed to upgrade its existing system to accommodate more renewable injections leaving for future consideration where transmission additions are needed once the data are available to make such determinations, taking into account the extent to which private industry provides mechanisms to deliver power to Xcel's system (i.e., generator leads and renewable trunk lines). Trans-Elect is such an entity, as it (in partnership with the Wyoming Infrastructure Authority and Western Area Power Administration, among others) is developing transmission projects that would access renewable resource zones that would benefit Colorado customers.
- To the extent that we are critical of Xcel's plans, we are disappointed that it has focused nearly exclusively on in-state renewable resources. There is considerable public information to indicate that these resources do not stop at state lines and in some instances may provide lower power prices and compatible sources of renewables that enhance the performance of Colorado renewables to the benefit of Colorado customers.
- Individual projects and communities may be critical of Xcel's current plans because they don't accommodate their specific interests or because they are not sufficiently aggressive. However, Xcel can't be "all things to all people" in its first SB-100 filing, lest we throw caution to the wind by prematurely forcing the expansion of Xcel's transmission grid, at public expense, to sites that may not be cost-effective.

We appreciate this opportunity to comment on Xcel's SB-100 filing and are largely supportive of its plans, particularly since it will have future opportunities at adding transmission to access renewables in its future filings when more information is available for it to properly and cost-effectively consider its options.

Sincerely,

A handwritten signature in black ink, appearing to read "A. [unclear]", with a long horizontal line extending to the right.

Vice-President, Western Development

cc: Steve Waddington, Wyoming Infrastructure Authority  
Paula Connelly, Xcel Energy  
Kurt Haeger, Xcel Energy