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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

**DOCKET NO. 08I-227E**

IN THE MATTER OF THE INVESTIGATION OF ELECTRIC TRANSMISSION ISSUES  
AND THE OPENING OF AN INVESTIGATORY DOCKET.

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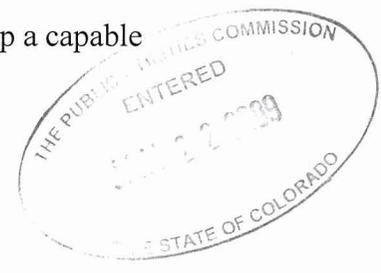
**COMMENTS OF THE COLORADO ENERGY COALITION**

The Colorado Energy Coalition ("CEC"), a non-profit, unincorporated association of stakeholders in Colorado's energy industry, respectfully submits the following comments in response to Commission Decision No. C08-1125 soliciting comments concerning progress made in response to the recommendations outlined in the November 2006 Report of the Task Force on Reliable Electricity Infrastructure (the "Task Force").

**Colorado Energy Coalition Background and Purpose**

1. On December 13, 2006, the Metro Denver Economic Development Corporation announced the formation of the Colorado Energy Coalition as a consortium of leaders and stakeholders in Colorado's diverse energy industry. The CEC includes representatives from the oil and gas sector, electric utilities, renewable energy companies, academia, government, laboratories, industry and trade associations, and numerous energy support and service companies.

2. The CEC's objectives include: positioning Colorado as a competitive place for all energy-related sectors to do business; cultivating a highly educated, well-trained workforce; and promoting energy efficiency and conservation. In support of these objectives, CEC has formed committees focusing on Colorado's competitive position in the global economy, financial industry needs to grow the new energy economy, education initiatives to develop a capable



energy workforce, infrastructure requirements to support both traditional and alternative energy resources, and various support services to Colorado's broad, diverse energy industry.

3. Given its broad membership and perspective, the CEC is an interested stakeholder in the Commission's investigation of the reliability and sufficiency of Colorado's electric transmission system.

**Progress Toward Completion of the Task Force's Recommendations**

4. In its initial Order opening this investigatory docket (Commission Decision No. C08-0607) and in the accompanying Preliminary Statement of Goals the Commission identified three primary areas of focus for its investigation: proper regulatory policies to assure system reliability, specific transmission planning activities being undertaken by utilities and other interested parties, and regional transmission planning. The recommendations outlined in the Task Force's November 2006 Report (the "Report") underlie each of the areas of interest identified by the Commission in this docket. The CEC offers the following comments concerning the progress that has been made in response to the Task Force's primary recommendations, as well as the CEC's recommendations for the Commission's continued efforts in this area.

*The Commission Should Consider Economic Development Impacts  
Related To Transmission System Improvements.*

5. As a fundamental matter, CEC maintains that it is essential to the economic development of the state to have a robust and capable electric transmission system. Colorado's electric transmission system must ensure reliable electric service for all of the state's residents and businesses, be sufficient to serve known and anticipated load growth, and provide for interconnection of new and clean energy resources. CEC believes that the economic development benefits from such a system and the economic potential of Colorado's renewable

resources must be given strong consideration in the Commission's investigation of the state's electric transmission system.

6. To capture the economic development benefits related to power development and electricity use, Colorado's law and policy should facilitate investment by Colorado's utilities and transmission providers in the state's transmission infrastructure. A robust transmission infrastructure include produces economic development and job creation through:

- increased electric system reliability for existing Colorado industry that supports efficiency, creates certainty in business operations, and reduces industry costs;
- support for increasing commercial and industrial electric loads through project retention and expansion that attracts investment and creates jobs;
- improved access to diverse energy markets that increases competitiveness among power suppliers and decreases electric costs;
- expanded opportunities for generator interconnections, including both renewable and conventional energy that increases electric system reliability while attracting investment and jobs, especially in Colorado's rural communities;
- greater renewable energy integration by increasing the ability of the transmission grid to balance resources;
- increased temporary and long-term employment opportunities from the construction and operation of new transmission infrastructure; and
- increased tax base from the construction and operation of new transmission facilities, particularly in rural parts of the state.

7. While the relationship between transmission system improvements and economic development is not specifically addressed in the legislation establishing the Commission's

authorities, CEC believes that the importance of this relationship is consistent with other express statutory provisions in this area. For example, the Legislature has directed that:

The Commission shall give the fullest possible consideration to the cost-effective implementation of new clean energy and energy-efficient technologies in its consideration of generation acquisitions for electric utilities, bearing in mind the beneficial contributions such technologies make to Colorado's energy security, *economic prosperity*, environmental protection, and insulation for fuel price increases.

C.R.S. § 40-2-123(1)(emphasis added). Given the necessary relationship between generation and transmission, CEC believes this legislative direction is equally relevant to transmission system improvements. As such, CEC encourages the Commission to recognize and consider economic development benefits when evaluating proposed transmission projects.

*The Commission Should Build On The Progress Made  
In Meeting The Task Force's Recommendations And  
Facilitate Further Progress By Streamlining The Transmission Approval Process.*

8. The Task Force recommended that "a Transmission Cost Recovery Rider be established to provide a mechanism for an annual automatic adjustment of Construction Work in Progress (CWIP) charges for an electric utility to recover the investments in and expenses related to eligible new transmission facilities." (Report at 18) CEC believes that this recommendation has been effectively addressed by the legislature through the provisions of SB07-100 (C.R.S. § 40-5-101(4)). In implementing the provisions of SB07-100, CEC encourages the Commission to find ways of streamlining the approval process for new transmission facilities. The Commission should acknowledge transmission plans developed under the auspices of the SB07-100 process and give deference to plans developed under existing well-established stakeholder processes by establishing expedited processes for approval of such plans.

9. Next, the Task Force recommended that "the State identify renewable generation resource development areas that have potential to support competition among renewable energy

developers for development of renewable resource generation projects." (Report at 20) CEC believes that this recommendation has also been effectively addressed through recent legislation, SB07-91 (C.R.S. § 40-4-116). The resulting report, "Connecting Colorado's Renewable Resources to the Markets," provides an effective "blueprint" for Colorado's electric utilities, new energy project developers, and the Commission by identifying renewable resource generation development areas and the transmission infrastructure needed to serve them. CEC encourages the Commission to continue to work with Public Service Company of Colorado, Black Hills Energy/Colorado Electric Utility Company, and other Colorado electric utilities to expedite the development of proposed transmission improvements to expand the transmission system and to facilitate the development of clean energy resources in Colorado necessary to serve growing customer demand. Specifically, CEC recommends that the Commission identify procedural improvements that will streamline the issuance of certificates of public convenience and necessity for such proposed transmission projects.

10. The Task Force also recommended increased "municipal and county government involvement with organizations like the Colorado Coordinated Planning Group (CCPG) to focus on transmission activities throughout the state." (Report at 21) CEC supports such increased involvement by Colorado local governments in transmission planning activities. Given the economic development potential of utility and community-scale new energy projects as well as other energy industry projects, CEC believes that local governments are among the stakeholders interested in transmission improvements proposed to serve such projects. Local government participation and access to transmission planning information will facilitate transmission project siting and permitting. CEC believes that the Colorado Coordinated Planning Group is and will continue to be the proper forum for such local government participation. While the CCPG is not

within the regulatory authority of the Commission, CEC suggests that the Commission encourage those utilities over which it has authority to actively use the CCPG as a means to communicate and engage with Colorado's local governments as partners in the transmission planning process.

11. Finally, the Task Force recommended that "the Colorado State Legislature appropriate adequate funding for the Public Utilities Commission to actively participate in regional electricity transmission planning, reliability and regulatory forums." (Report at 24) As with increased local government participation, CEC supports Commission participation in statewide and regional transmission planning forums such as CCPG and the Colorado Long Range Transmission Planning Group ("CLRTPG"). CEC agrees with the Commission's "need to temper its involvement in seeing projects move forward with its statutory responsibilities to hear and decide cases involving certain generation resource and transmission projects." (Decision No. C08-0607 at 6). Recognizing the need to balance these roles, CEC urges the Commission to use its authority to facilitate the development of transmission projects to the maximum extent possible consistent with its statutory role. To this end, CEC requests that the Commission study and adopt the best practices of other public utility regulatory commissions who also balance such roles.

12. CEC also supports the Commission's request for adequate appropriations to enable it to participate in regional transmission planning meetings and forums. CEC believes the Commission's monitoring of and Commission Staff's participation in such planning initiatives will result in better informed decisions when the Commission is required to exercise determine facts and adjudicate matters in connection with proposed transmission projects. For example, CEC understands that, in the context of CPCN proceedings, the Commission is regularly

concerned with the effect of a proposed transmission project on other utilities and the extent to which such utilities have cooperated in the development of the proposed project. Increased participation by the Commission in CCPG and CLRTPG activities would allow the Commission to be better informed of the participating utilities' efforts to integrate their respective transmission plans into coordinated long-range statewide and regional plans such as the CLRTPG 2018 study.

13. CEC also notes that the Task Force's Report encourages the General Assembly to facilitate the ability of Colorado utilities to increase their workforce through apprenticeships and the use of available training funds to develop our state's workforce. While this recommendation does not necessarily fall within the direct purview of the Commission, CEC encourages the Commission to consider this issue in the context of the job creation and workforce development opportunities presented by the extensive transmission projects planned by Colorado electric utilities.

### **Conclusion**

14. In his recent State of the State Address, Governor Ritter recognized the importance of transmission in continuing to grow the New Energy Economy. The Colorado Energy Coalition agrees wholeheartedly with this observation and encourages the Commission to consider economic development issues when evaluating and expediting the approval of new electric transmission projects in Colorado.

Dated January 21, 2009.

**COLORADO ENERGY COALITION**

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