

**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.**

**Comments of the Interwest Energy Alliance
for May 18, 2009 Commission Workshop**

The Interwest Energy Alliance (“Interwest”) appreciates the Commission’s ongoing investigation into electric transmission issues, which are critical to Colorado’s future clean energy development.

Our comments for the May 18 Commission workshop relate primarily to Section 4 of the questions submitted to stakeholder parties in connection with Decision No. R09-0458-I. Interwest’s designated representative at this workshop will be Craig Cox.

Section 4 of Decision No. R09-0458-I is entitled “Coordination of CCPG/CLRTPG, SB-100 and Integrated Planning,” and Interwest’s ten points in these comments relate to the 2009 Colorado Long-Range Transmission Plan issued in January 2009 by the Colorado Coordinated Planning Group’s (CCPG) Colorado Long-Range Transmission Planning Group (CLRTPG). This report is posted at <http://westconnect.com/filestorage/CLRTPG%202015%20Study%20Report%20.pdf>.

1. The CCPG/CLRTPG transmission plan was based in part on meetings that excluded stakeholders.
2. The plan is premised on about 4,000 MW of new generation for Colorado utilities over the next ten years. Additional coal plant retirements were not studied. Disputed high Tri-State load projections were used as the basis for the study. The Tri-State Holcomb, Kansas project continued as a planning assumption in the study, despite this plant having been turned down by Kansas until being revived last week by the new Kansas governor. An undefined 600 MW of new generation located in SE Colorado for Tri-State’s needs was included in the study. More distributed resources, such as wind and gas, that could meet Tri-State’s requirements were not studied.
3. The plan continues the deficiencies of lack of coordination between Xcel Energy and Tri-State found in the 2006 plan. While Xcel simultaneously

carried out its own SB07-100 planning, Tri-State carried out CCPG CLTPG planning. The 2009 study continues to divide Colorado into Northern (Xcel) and Southern (Tri-State) resource development scenarios. As in the case of the 2006 study, by its own terms, the study relates its own lack of coordination: “Additional studies will be required to determine the impacts of a composite case with the preferred south and north alternatives.” (study, page 29)

4. The planners refused to look beyond ten years, stating that the minimum planning requirements of NERC and WECC did not require longer term planning and that they had no idea of what kinds of resources to plan for beyond a decade, despite the PUC approval of Xcel’s resource plan that showed Xcel resources beyond ten years. There are no answers in this plan for what options are required for longer term transmission needs, so questions about how these plans can be justified as opening or maintaining future options cannot be answered.
5. Despite SB07-100 changing state transmission policy to require transmission to be built to serve “beneficial energy resource” areas, this plan is premised on the previous transmission policy of building transmission to generation, rather than to resource areas.
6. The “principles” on which the plan is premised do not include those transmission planning requirements found in FERC Order 890 (listed on Pages 3 and 4 below). No use of a dispute resolution mechanism, as required by FERC was made. Most issues raised about the planning by stakeholders were simply, and politely, ignored.
7. Scenarios requested by the Governor’s Energy Office and other stakeholders that focused on large scale renewable energy development in Colorado’s SB07-91 “Generation Development Areas” were cut down from the requested levels to those found in the report.
8. There is little indication that stakeholders even participated in the planning, as the report does not reflect the proposals that stakeholders made.
9. No economic studies that combine the impact of beneficial energy resources and transmission costs were done or reported.
10. The planners refused to consider exports.

FERC Order 890 Principles for Coordinated, Open and Transparent Transmission Planning

1. Coordination

The rule requires transmission providers to meet with all of their transmission customers and interconnected neighbors to develop a transmission plan on a non-discriminatory basis.

2. Openness

The rule requires that transmission planning meetings be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders. Additionally, the rule requires transmission providers, in consultation with affected parties, to develop mechanisms, such as confidentiality agreements and password-protected access to information, in order to manage confidentiality and CEII concerns.

3. Transparency

The rule requires transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans. In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied.

4. Information Exchange

The rule requires network transmission customers to submit information on their projected loads and resources on a comparable basis (e.g., planning horizon and format) as used by transmission providers in planning for their native load. The rule further requires that point-to-point customers be required to submit any projections they have of a need for service over that planning horizon and at what receipt and delivery points. Transmission providers, in consultation with their customers and other stakeholders, must develop guidelines and a schedule for the submittal of information. The information must be made available at regular intervals to be identified in advance.

5. Comparability

The rule requires that each transmission provider, after considering the data and comments supplied by market participants, develop a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning. The rule further requires that that customer

demand resources should be considered on a comparable basis to the service provided by comparable generation resources where appropriate.

6. Dispute Resolution

The rule requires transmission providers to develop a dispute resolution process to manage disputes on both procedural and substantive planning issues that arise from the Final Rule's planning process. Those seeking to rely on an existing dispute resolution process must specifically address how its procedures will be used to address planning disputes. The Commission encourages transmission providers, customers, and other stakeholders to utilize the Commission's Dispute Resolution Service to help develop a three step dispute resolution process, consisting of negotiation, mediation, and arbitration.

7. Regional Participation

The rule requires each transmission provider to coordinate with interconnected systems to: (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and (2) identify system enhancements that could relieve "significant and recurring" transmission congestion.

8. Economic Planning Studies

The rule requires transmission providers to take into account both reliability and economic considerations in transmission planning. The rule accords stakeholders the right to request a defined number (e.g. five to 10) of high priority studies annually to address congestion and/or the integration of new generation resources or loads on an aggregated or regional basis. The studies must be posted on the transmission providers' OASIS. The rule requires each transmission provider to comply with the requirement to perform economic planning studies both as to its own transmission system and as to a regional study process.

9. Cost Allocation for New Projects

The principle requires that the transmission planning process must address the allocation of costs of new facilities. This cost allocation principle is intended to apply to projects that do not fit under the existing structure, such as regional projects involving several transmission owners or economic projects that are identified through the study process described above. The proposal should identify the types of new projects that are not covered under existing cost allocation rules and, therefore, would be affected by this cost allocation principle.

Respectfully submitted, May 11, 2009

A handwritten signature in black ink that reads "Ronald L. Lehr". The signature is written in a cursive style with a large initial 'R'.

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