

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.

**Initial Comments of Trans-Elect Development Company, LLC
and the Wyoming Infrastructure Authority**

Trans-Elect and WIA are involved in two public/private transmission development projects that involve Colorado: the Wyoming-Colorado Intertie (WCI); and, High Plains Express (HPX). Both would expand the transmission grid to enhance reliability, provide better access to remote resources (particularly renewables), and increase Colorado utilities' access to import and export power markets. We are very supportive of the Commission's efforts to "consider issues related to electric transmission and to identify transmission planning activities that merit more involvement by the Commission".

Trans-Elect and WIA commend the Commission for initiating this docket and setting the stage for the important exchange of ideas that will ensue. Given the importance of transmission as an enabler of least cost resource acquisitions for Colorado consumers, we believe the investment of time and intellectual energy by the Commission and stakeholders in this proceeding will be well spent.

The Commission decision to open this docket poses three important questions, each of which are addressed in our comments below and which will be further examined in comments that we will submit subsequent to the completion of this phase of the Investigatory Docket.

Question #1

"- with respect to the first area of focus identified in the Preliminary Statement, have we identified the appropriate issues, should any be deleted or modified and are there others that should be added;"

Response

We agree that each of the issues listed by the Commission is worthy of discussion in this docket. In particular, we support its identification of the following as significant issues: synchronizing resource and transmission planning horizons; regional cooperation for multi-state transmission projects; reliability benefits; expansion of control areas or regional transmission tariffs; cost recovery mechanisms; appropriate incentives; and, the interconnection queue process. We suggest that the following additional issues also be considered:

1. Ways the Commission could encourage regional cooperation on transmission plans and investments by transmission providers over which the Commission may have limited jurisdiction – to secure benefits for a broad cross section of Colorado consumers.
2. Treatment of incremental transmission investment in resource procurement analysis.
3. Regulatory policies that encourage development of multi-state transmission projects, such as Wyoming-Colorado Intertie and High Plains Express, that can provide benefits to Colorado electricity consumers and to Colorado's economy.
4. Policies to enable investments for transmission expansion ahead of need, in recognition that such investments can be "lumpy".
5. Consideration of the implications of cost and reliability attributes of radial vs. integrated lines in the CPCN approval process and in the formulation of Colorado transmission policy.
6. Uneven regulatory jurisdiction for different transmission ownership classes which may complicate permitting, cost recovery and transmission planning.
7. Appropriate roles for the Commission in formulating state and regional transmission planning policy.
8. The adequacy of SB-100 and the Commission's role in administering the process. Issues to be considered include its application to transmission entities not subject to Commission jurisdiction, overlaps in the CPCN process with utility resource planning, its application for accessing out of state resources, and consideration of resource delivery costs.
9. Steps that might be taken to shorten the transmission planning and approval cycle to ensure that transmission is brought on-line in a timely manner.
10. Incentives for encouraging transmission expansion, potentially using CEDA as an enabling vehicle which may require expansions in its authority.

Question #2

“- with respect to the second area of focus and activities that we will follow more closely (e.g., Senate Bill 100 and CCPG), what would be the appropriate level of involvement for the PUC and are there other generation resource and transmission facility planning activities being pursued by utilities and others that we should actively follow;”

Response

The PUC Staff has become more active in regional transmission planning activities including SB-100 and CCPG, consistent with the recommendations of the Colorado House Bill 06-1325 Report by the Task Force on Reliable Electric Infrastructure. These

activities should continue, but should go beyond current “monitoring” activities to extend to implementing whatever strategies emerge from this Investigatory Docket.

In addition, it would be useful for Commission staff activity to be supplemented by the periodic involvement of the Commission itself in ongoing transmission policy initiatives. For example, the Commission could convene public sessions in which participants can update the Commission on transmission planning activities and receive input from the Commission.

We recognize the different roles played by Commissioners and staff and that staff support for a particular proposal cannot be interpreted as predisposing the Commission to arrive at a particular determination. However, greater participation by PUC staff at the direction of the Commission is almost certain to shape SB-100 and CCPG plans in ways that result in better alignment with Commission policy objectives.

We also believe it is important for the Commission to direct its staff to be involved in larger multi-state planning efforts so that Commission policy objectives can be well represented in these stakeholder forums. We would prioritize these efforts, based on their direct implications for Colorado consumers, as follows: 1) High Plains Express, 2) WestConnect, 3) WGA’s Western REZ Initiative, and 4) WECC activities including the Transmission Expansion Policy Planning Committee (TEPPC).

Question #3

“– with respect to the third area of focus, are there suggestions regarding priorities to pursue in light of budgetary and resource restraints.”

Response

Given that transmission is a major regional public policy issue, we feel that if possible, the Commission’s budget and resource restraints should be relieved so that it is more fully able to proactively participate in the development of transmission public policy to protect and advance Colorado’s interests. As noted above, this should include venues specifically convened by the Commission.

To extent the Commission must prioritize among the issues listed by the Commission and additional issues we suggest above, we suggest the PUC’s jurisdictional role in the SB-100 process, and better coordination between utility transmission planning and resource acquisition planning, are both very fertile ground for your investigation and active involvement.

The Commission can provide great value by: 1) clearly articulating its policy goals and 2) developing regulatory policies that provide appropriate encouragement and incentives for transmission providers to act in ways that are consistent with the Commission’s objectives. We believe this docket will be helpful in clarifying the Commission’s goals and in identifying regulatory policies that will support achievement of those goals.

Thank you for this opportunity to provide initial comments on the matter of this investigation. We look forward to participating in the process as it unfolds.