

Transmission Legislative Options for 2009 Colorado Legislation

This is strictly a “menu” of possible legislative options, from which we can pick and choose various elements in drafting legislation. The Colorado PUC is also conducting an [investigatory docket](#) on transmission issues, and we must be cognizant of possible outcomes of that important docket as we consider legislative proposals from this list or other sources.

1 Legislation for a study and report to the legislature on transmission market issues

A. Creating RTO Functionalities

1. Eliminate pancaked transmission rates
2. Access to regional real time regulation market
3. Consolidate balancing areas
4. Develop transparent trading hubs
5. Establish intra-hour regional generation scheduling
6. Share ACE (“area control error”) to meet reliability criteria
7. Implement “conditional firm” transmission service

B. Encouraging new firms that can provide transmission

1. Allow *any* non-incumbent to participate and obtain eminent domain if they are proposing to build according to the state plan
2. Add non-incumbent transmission companies in statute
3. Require (or allow) transmission be divested to independent companies

C. Modernizing utility operations

1. Require state of the art utility weather forecasting

D. Clarifying and setting new state policies

1. Identify, segment, and estimate timing for Colorado renewable energy export markets

2 Require a single, statewide, “one-utility” long term (> ten years) transmission planning requirement

A. Tri-State and municipal utilities to file with Xcel under SB 100

1. Transmission plans should address relief for each Colorado transmission constraint

3 Mobilize Colorado state agencies and local governments with improved transmission capabilities

A. Colorado Clean Energy Development Authority (CEDA)

1. Fund CEDA to hire an Executive Director
2. Fund CEDA to partner in early stage transmission planning studies
3. Grant CEDA power to build, own, and operate transmission facilities after notice and opportunity to build given to private sector

B. Directives to PUC, build PUC capacity

1. Change PUC determination of “need” for transmission to include regional exports (“regional energy needs, benefits of enhanced regional access, reliability, deliverability, improve robustness of transmission system or lower costs for consumers”)
2. Clarify that 180 days for final PUC SB 100 decisions means 180 days, not more
3. Support PUC budget request for added transmission staff

4. Statewide Independent third party (ITP) to conduct ALL transmission planning

1. Participation is mandatory for all transmission-owning entities except the federal government, who would participate by invitation. This model is used in North Carolina (a non-ISO state).
2. Next, add an Independent Coordinator of Transmission, a la Entergy. In this case, the ITP takes on the duty of queue management. It is already the planner, so it conducts the planning just like, say, PJM would do. It, just like PJM, would work with the TO's to deal with system technical issues, but the ITP is the actual planner by statute.
3. The ITP then takes on actual requests for service on the transmission system if folks want it to do that. This is the big step in that they actually would move into the operator's role.
4. The ITP is the entity that "sits at the table" in the various Western regional planning organizations, is a member of WECC, and is FERC-jurisdictional since it will be performing functions under the OATT.