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Sent: Tuesday, August 07, 2007 10:25 AM

To: 'robin.kittel@xcelenergy.com'; 'joseph.c.taylor@xcelenergy.com'

Subject: Transmission for the San Luis Valley (Zone 4)

Hi Robin, Hi Joe—I've been on vacation for about 10 days, but wanted to emphasize once again the need to accelerate the development of transmission out of the San Luis Valley. At the July 24, 2007 SB 100 transmission planning meeting the ability to inject about 200 MW into the system in the San Luis Valley at peak times appeared to be presently possible. While this is a beginning, given the long lead times for the development of transmission systems, **I want to emphasize, once again, the need to include solid plans for increasing transmission out of the San Luis Valley (i.e. Zone 4) in the SB 100 transmission filing that is due on October 31, 2007.**

If we wait until 2009 to start getting serious about transmission out of the SLV it could easily be 2015 or beyond before significant transmission is available and this is likely to cause very unfortunate delays in the development of Concentrating Solar Power (CSP) in Colorado. This is problematic for a number of reasons, including:

1) Legislative Intent to Pass CSP Legislation in 2008: The State Legislature has expressed the strong desire to bring CSP to Colorado as quickly as possible. A copy of the letter that was given to the PUC in April with the signatures of over 30 State Representatives is attached. A similar letter exists from the State Senate but I don't have an electronic copy. There are fewer signatures on the letter from the State Senate, but they are from key Senate leaders. These legislative leaders have expressed their intention to enact legislation favorable to CSP in the next Legislative Session. Given the strong support of leadership, there appears to be a strong likelihood that it will pass. If we are to bring large amounts of CSP to the state, having good transmission infrastructure out of the San Luis Valley will be essential, and this could take 5 or more years to develop.

2) Increasing Summer Peak Needs: According to the Denver Post of July 26, 2007 the peak on the Xcel system in Colorado for July 24, 2007 was 6911 MW. This is 223 more MW than was predicted just a few months ago. According to the testimony of Jannell Marks in PUC Docket 07A-107E, the April 2007 prediction for summer peak demand in 2007 was 6688 MW. A mere three months later, your actual peak demand (assuming the Denver Post story was correct) was 223 MW higher than the prediction. Even if the Denver Post story was not correct, the summer peak is increasing steadily and for the last three years, Xcel has underestimated that peak by significant amounts. The climate change scientists can tell us that in general, the summers are going to be getting warmer—and generally a lot warmer as we move forward due to the unprecedented levels of CO2 in the atmosphere. Concentrating Solar Power can help to meet these summer peak needs without using expensive natural gas—but we have to build the plants—and to build the plants we need adequate transmission. The CSP developers have made it clear that they want to build large, gigawatt (GW) scale plants in order to maximize economies of scale and for this they will need a lot more transmission than is presently available in the San Luis Valley.

3) Loss of CSP Investment Dollars: If Colorado does not have adequate transmission to the best areas of the state for CSP development, we can expect CSP investment dollars to be captured by other states—and Colorado will be left to meet the increasing summer peak with expensive natural gas generation which would be doubly unfortunate. We lose the investment dollars and we are left with ever increasing bills for fossil fuel resources, the use of which will increase CO2 levels in the atmosphere further compounding the global warming problem. The San Luis Valley has excellent solar resources. The State Legislature wants to bring CSP developers to the state and the Governor recently asked a top CSP developer to speak to the Western Governors Association, so there is every reason to believe that in the not too distant future, Colorado

will be making its desire to bring CSP to the state manifestly clear—but we need the transmission to do it and losing two years in what is already a long planning timeline would be very unfortunate indeed.

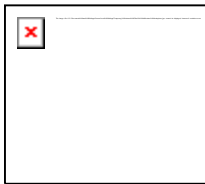
So, whether it is working with Tri-State to expand the capacity of the line they are planning out of the San Luis Valley (Zone 4) or through some other plan, it is of the utmost importance that Xcel bring a significant transmission plan for Zone 4 to the PUC this fall.

Thanks. I know your plates are very full, but if we don't move Zone 4 transmission forward now, then it could be a very large opportunity lost for Colorado.

Thanks for all of your work on the SB 100 planning process. It is a lot to do in a short amount of time and I appreciate all your efforts!

All the best. Leslie

P.S. Are you still posting comments on the SB 100 website at <http://www.rmao.com/wtpp/SB100.html> ? If so, could you post this comment (and the attached legislative letter) as well as the comments I have sent earlier on the potential of CSP (and the attachments) and the criteria that I believe should be used for determining transmission priorities (e.g. total resource, potential capacity factors, value of the energy produced etc.). Since many people are not yet familiar with Concentrating Solar Power and its potential, it would be useful if they could read a bit more about it. Thanks.



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