

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**

**COLORADO INDEPENDENT ENERGY ASSOCIATION'S REPLY COMMENTS
REGARDING SCOPE OF INVESTIGATORY DOCKET**

The intervention group collectively referred to as the Colorado Independent Energy Association (“CIEA”), a non-profit corporation and trade association of independent power producers (“IPPs”), by and through its undersigned counsel, respectfully submits the following reply comments regarding the scope of this proceeding as solicited by the Commission. CIEA states as follows:

1. In its initial comments, CIEA applauded the Commission’s investigation and Preliminary Statement of Goals regarding the critical transmission issues facing Colorado. In particular, CIEA encouraged the Commission to facilitate and expedite the prospects for exporting to locations outside the state power generated by Colorado independent power producers (IPPs). Further, CIEA pointed out (1) the need for improved responsiveness and shorter timelines regarding interconnection requests and transmission service requests, and (2) the need to enhance IPPs’ ability to meaningfully participate in transmission planning processes.

2. Having reviewed the initial comments of other stakeholders, CIEA suggests five specific and significant actions or issues the Commission should consider in remedying the seemingly intractable transmission logjam in Colorado:

- First, encouraging and facilitating enactment of export-oriented transmission legislation, possibly along the lines of the Minnesota legislation, SF 1368, supported by Xcel Energy

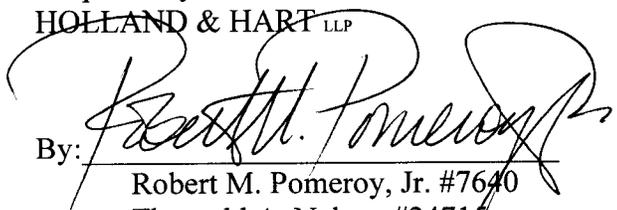
in its home state, to encourage involvement and participation in power exports by independent transmission companies. A simplified version of the Minnesota legislation is attached as the “Colorado Transmission Upgrade Act,” offered here to begin the legislative dialogue and for illustrative purposes.

- Second, encouraging and facilitating consolidation and expansion of control areas in Colorado. This issue has been addressed by Interwest Energy Alliance, and its consideration is endorsed by CIEA.
- Third, encouraging and facilitating a fully-operational and robust Regional Transmission Organization with an attendant regional tariff that encompasses Colorado and neighboring states. Our region lags far behind other regions of the country in this regard, and swift action and progress is required if we want to create a liquid trading hub for Colorado exports.
- Fourth, encouraging and facilitating state legislation allowing for one-stop transmission line siting approval in Colorado. For the needed transmission lines to be built, the protracted process described in Tri-State’s initial comments must be streamlined, Colorado must catch up with other states in our region, and each individual local jurisdiction must not be allowed a veto power over interstate facilities. One of many examples is the transmission statute in neighboring Kansas, which provides exemptions from city and county approval requirements for various types of transmission lines. K.S.A. Sec. 66-1,182(b)(2006).
- Fifth, encouraging and facilitating state legislation providing for Commission jurisdiction over Tri-State, at least to the extent necessary to compel the coordinated transmission planning and expansion that will be needed for greatly increased export of power from

Colorado. Among other things, this would allow the Commission to adopt a more active role in overseeing the coordination and progress of the relevant transmission planning groups in the state.

DATED: August 15, 2008.

Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that on August 15, 2008, a disk and an original and seven copies of **COLORADO INDEPENDENT ENERGY ASSOCIATION'S REPLY COMMENTS REGARDING SCOPE OF INVESTIGATORY DOCKET** was served to the following :

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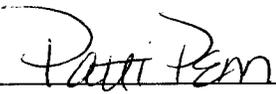
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