

Colorado PUC workshop on HB 06-1325 implementation

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Recommendation Number 1: Transmission Cost Recovery Rider

- “The Task Force supports efforts to efficiently and effectively develop transmission infrastructure necessary to create a robust and reliable transmission system to meet Colorado’s future energy needs. Therefore, the Task Force recommends that a Transmission Cost Recovery Rider be established to provide a mechanism for an annual automatic adjustment of Construction Work in Progress (CWIP) charges for an electric utility to recover the investments in and expenses related to eligible new transmission facilities.”

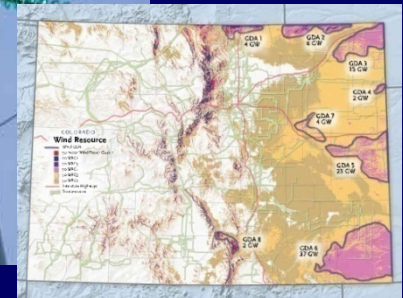
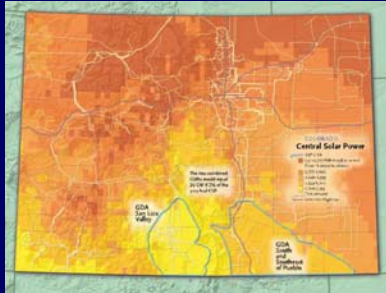
Progress on Rec. 1 (Transmission Cost Recovery Rider)

- Progress is mixed and not overly encouraging: rate recovery (and SB 07-100) emanated from this recommendation, though transmission still not benefitting renewable resource areas.
 - Slow pace of Pawnee-Smoky Hill approval
- In Docket No. 07A-339E, Xcel received cost recovery for all its transmission investments (approximately \$118 million), but we have yet to see any benefits for Colorado's transmission-constrained renewable resources which were intended to be the primary beneficiaries of SB 100.

Recommendation Number 2: Identify Renewable Generation Resource Development Areas.

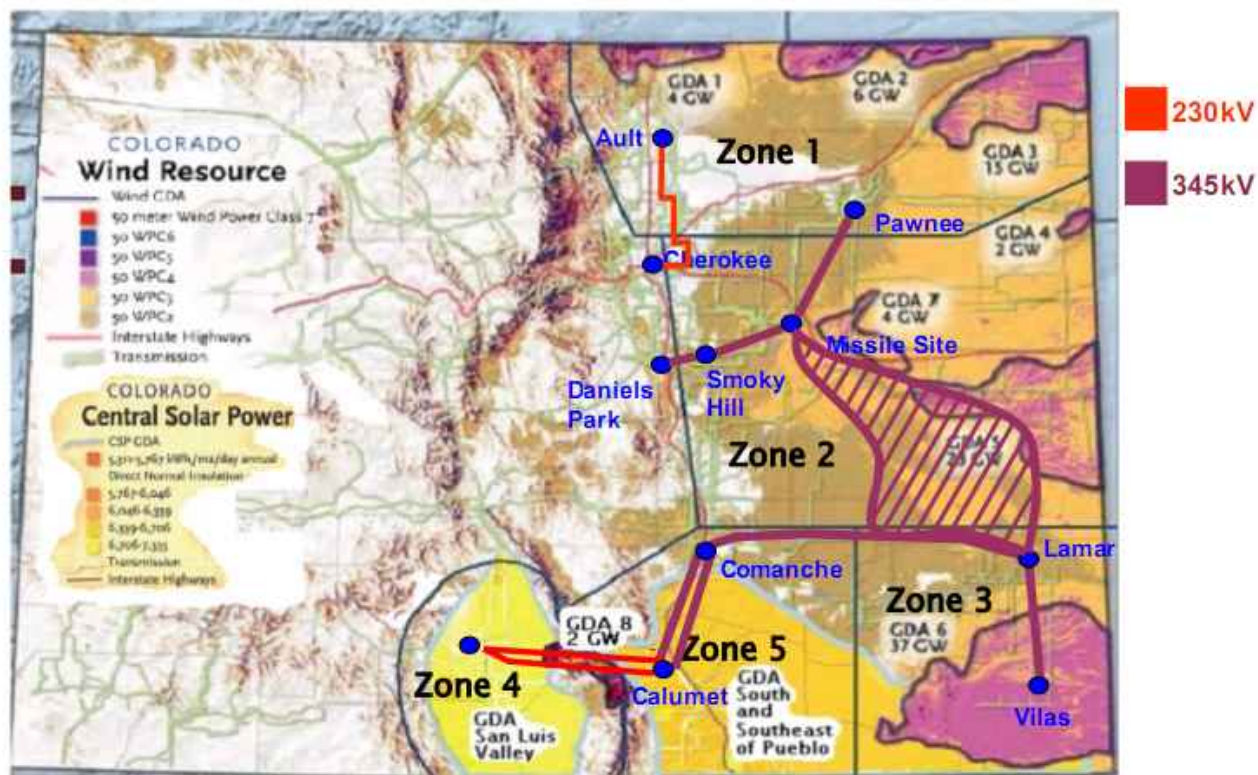
- “In order to develop economic, safe, reliable, and low-cost renewable generated electric power for consumers, the Task Force recommends that the State identify renewable generation resource development areas that have potential to support competition among renewable energy developers for development of renewable resource generation projects.”

Progress on Rec. 2 (Identification of Renewable Generation Resource Development Areas): SB 91 Report



Progress on Rec. 2 (Identification of Renewable Generation Resource Development Areas): PSCo SB 100 Report Incorporating GDAs

SB-100 Overall Transmission Plan



Progress on Rec. 2 (Identification of Renewable Generation Resource Development Areas): GEO's REDI

GEO's Renewable Energy Development Infrastructure (REDI) will:

- address transmission permitting and siting issues
- address regulatory issues such as cost allocation and cost recovery
- consider transmission plans/models in adjacent states and other jurisdictions
- make recommendations to the WGA's WREZ initiative to assist their Phase 3 and 4 studies

Recommendation Number 3: Governmental involvement with organizations like [CCPG].

- “Task Force supports increased communication to local government officials on the electric transmission activities. Therefore, the Task Force supports municipal and county government involvement with organizations like the Colorado Coordinated Planning Group (CCPG) to focus on transmission activities throughout the state.”

Progress on Rec. 3 (Governmental involvement with organizations like [CCPG])

- When HB 06-1325 was passed and when the task force met, Colorado state government was a non-player in regional transmission venues.
- Now, Colorado has established firm leadership in this critical area.
 - PUC staff need to continue active, and pro-active, participation in these venues and establish a record of leadership in state and regional transmission planning.
- Outreach to counties and municipalities still lagging.

Recommendation Number 4:

Appropriate adequate funding for the PUC to actively participate in regional electricity transmission planning, reliability and regulatory forums.

- “The Task Force recognizes that transmission is a regional reliability issue. Therefore, the Task Force recommends that as a matter of state policy the Colorado State Legislature appropriate adequate funding for the PUC to actively participate in regional electricity transmission planning, reliability and regulatory forums.”

Progress on Rec. 4 (appropriate adequate funding for the PUC to actively participate in regional electricity transmission planning, reliability and regulatory forums)

- PUC needs capable, dedicated, full-time staff to participate in the many regional transmission planning forums happening frequently throughout the West.
- Budget crunch affecting state staffing levels, but Colorado must have seat at table as decisions are being taken at state, regional and federal levels that will have a direct, tangible and permanent impact on our electric power infrastructure...and our economic future.

“Further, the Task Force identified a critical shortage in the electric utility industry of specialized and highly trained workers.”

- “The Task Force encourages the Governor and the General Assembly to facilitate Colorado utilities’ ability to increase their workforce through apprenticeships and the utilization of available training funds to develop our state workforce. The Task Force encourages the Executive Branch and the Legislature to reexamine its current activities to determine if an opportunity for investment is worthwhile in this industry. The Task Force commends the joint activities of the Utility Careers Task Force and Community Colleges. The Task Force encourages such further activities to develop curriculum for the training of Utility Land Planners/Right-of-way Agents and local government planning employees.”

Progress on workforce development recommendation

- Creation of legislature's Special Joint Committee on Job Creation and Economic Growth
- Governor's Jobs Cabinet
- National Renewable Energy Laboratory (NREL) working with state's renewable industries, educational institutions and various other parties to address workforce education and development issues.

CAPX 2020

Current and Proposed High Voltage Transmission Lines



Xcel Energy has done long-term, pro-active, multi-state, successful transmission planning involving multiple utilities and key stakeholders. Given this experience, this can also be done quickly in Colorado... we can catch up!

Thank you



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