

Electric Transmission: How Do We Get Power to the People?

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awe american wind
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What happens if we don't build all these wires?

1. Consumers will pay more
 - for electricity (www.interwest.org/backcast.htm)
 - for external electricity costs
2. Consumers and utility shareholders face higher risks and long term health, pollution and climate change damage liabilities
3. Colorado rural areas will forgo investment, jobs, and economic activity
4. Renewable energy standards won't be met

What happens if we don't reform electric markets and regulations along with building new wires?

Balkanized electric market continues

Regional electric trade will be minimal

Producers don't make money producing

Consumers don't save money by using lower cost resources

What regional market and regulatory reforms are required?

Eliminate pan caked transmission rates,
non-cost based imbalance penalties

Implement conditional firm transmission
service, wind forecasting

Consolidate uneconomic control areas,
share ACE and generation regulation

Establish market trading hubs

Encourage fortress utilities to trade

What's Colorado's role?

Analyze, then recognize all relevant costs and benefits

Invest in network transmission infrastructure to minimize costs and gain maximum benefits.

Use lowest cost capital.

Import and export power to gain benefits at least cost

What's Colorado's Role?

Exceed minimum renewable energy standards to gain Colorado consumer benefits

Plan and site transmission to minimize new transmission corridors and environmental and land use impacts

Capture transmission economies of scale with long term, coordinated statewide and regional planning

Pay for wires according to “relative use” or “users pay in proportion to their use”

Implement SB 100

Build transmission to resources, not generators
Transmission is “needed” for renewable standards

Four elements: energy development zones,
transmission plans, applications to PUC, PUC
decisions. Based on Texas CREZ.

October 31 filing, every odd year

All utilities should be required to file

Utility incentive (cost recovery) should follow utility
performance

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