



Transmission Chickens and Alternative Energy Eggs – The CPUC Solution

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CPUC Transmission Permitting Jurisdiction

- **Need for the line** – The utility must apply for a Certificate of Public Convenience and Necessity (CPCN)
 - *Cal. Pub. Utilities Code §§ 1001, et seq.*
- **Environmental review of the proposed route and alternatives**
 - *California Environmental Quality Act (CEQA)*
- *Cal. Pub. Res. Code §§ 21000, et seq.*



California Renewable Portfolio Standard (RPS)

- 20% by 2010
 - *SB 1078 established an RPS of 20% by 2017. Senate Bill 107, passed in 2006, accelerates the RPS goal to 20% by 2010*
- 33% by 2020
 - *To meet the requirements of AB 32, California's Global Warming Solutions Act of 2006*





Key Hurdles to Meeting RPS

- Transmission
- Transmission
- Transmission



CPUC Actions to Make Transmission Happen

- Streamlined transmission permitting process
 - http://www.cpuc.ca.gov/static/energy/environment/060713_transmissionprojectreviewstreamliningdirective.pdf
- Backstop Rate Recovery – D.06-06-034
 - *Pursuant to Cal. Pub. Utils. Code § 399.25*
- Proactive collaboration with California ISO, utilities, stakeholders, and federal land use agencies



Tehachapi – A Case Study

- Project:
 - 4500 MW of new wind generation - Approx. \$6B in infrastructure investment
 - Over 250 miles of new transmission line - Approx. \$1.8B in infrastructure investment
- Formation of Tehachapi Collaborative Study Group
- Designation of CPUC Project Manager
- Development of “Plan of Service”
 - Single CPCN application
 - Joint EIR/EIS
 - Focused on specific areas of interest to RPS developers





Tehachapi – A Case Study

- Cost recovery hurdles addressed via project structure (mostly network facilities) + CPUC Backstop Rate Recovery mechanism
- Coordinated pre-permit work among CPUC, ISO, and SCE staff
- Significant public outreach
- Anticipated CPUC permitting schedule: July 2007 – December 2008

