

Dian M. Grueneich, Commissioner California Public Utilities Commission Harvard Electricity Policy Group March 16, 2007



- 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

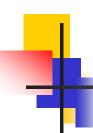
- Transmission
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CPUC Actions to Make Transmission Happen

- Streamlined transmission permitting process
 - http://www.cpuc.ca.gov/static/energy/environment/06 0713 transmissionprojectreviewstreamliningdirective.p df
- 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