

EC5-20Grueneich

Head: Hallelujah, Kumbaya

In the May 11, 2007 edition of *Circuit*, Rich Ferguson correctly pointed out the urgent need for cooperation among all stakeholders—the California Public Utilities Commission, the California Energy Commission, the utilities and developers—to achieve 20 percent renewable resources for California by 2010. I fully agree.

Not only do we need to work towards the 20 percent requirement mandated in state law, but we also need to lay the groundwork for achieving 33 percent renewable resources by 2020 in order to meet the state's global warming goals.

Over the past year and a half, the CPUC has undertaken a transformation of our transmission line permitting process, which has included close—and at times weekly—inter-agency and utility collaboration. These streamlining efforts have produced concrete results.

Since January, the CPUC has unanimously approved three large transmission projects, two of which will connect renewable resources in the Tehachapi Mountains to the transmission grid. The CPUC also has approved “backstop” cost recovery for renewable transmission projects, thereby breaking a log-jam at FERC.

Most recently, the CPUC's Energy Division has proposed a process for identifying and ranking by cost-effectiveness the next generation of renewable resource areas. This draft resolution released to the public last week and discussed in Mr. Ferguson's editorial, conditionally approves a Southern California Edison Company request to spend up to \$6 million to explore the feasibility of transmission to renewable-rich areas in Inyo and San Bernardino Counties, the Salton Sea, western Nevada, and western Arizona.

The draft resolution goes a step further than Edison's original request. It proposes a new process for studying transmission to all renewable resource areas in and around California. The goal of this new process is to streamline the pre-permitting study period and cut by half (or more) the amount of time it currently takes to go from identifying a renewable resource area to filing an application for a transmission line permit.

The new process requires Edison to work with interested parties to study the costs of generation and transmission to each proposed renewable-rich area and to rank each area by cost-effectiveness. Edison then would work with interested parties, including the California Independent System Operator, to identify potential transmission pathways to the most promising resource areas and to develop a specific plan of service to bring the renewable resources to market. Once the plan of service is developed, the participating developers would move to draft applications to obtain any necessary permits. The draft resolution establishes strict timelines for each phase of the work and creates an open and transparent process that encourages participation from affected agencies, California Independent System Operator, the renewable developer community and the public.

I share Mr. Ferguson's concern that the CPUC and Energy Commission must coordinate, not duplicate, their efforts. At its next business meeting on May 23, the Energy Commission will consider allocating Public Interest Energy Research funds for the Center for Energy Efficiency and Renewable Technology to study renewable resource areas. The Energy Commission already has allocated funds to Pacific Gas & Electric for similar studies. All of these studies are funded by ratepayers, either through rates or

through the public goods charge. The CPUC and Energy Commission have an obligation to ensure that this money is spent wisely and will lead to the development of useful and pertinent information without duplication.

Collaboration is the word of the day at the CPUC and we encourage everyone to join with us in getting these studies done so that the right projects can be developed as soon as possible. Otherwise, achievement of California's renewable energy and global warming goals will be in jeopardy.

Clearly, Kumbaya is the song for this process. And, if we achieve our collective goals, the Hallelujah Chorus will be the order of the day.

—*Commissioner Dian M. Grueneich, California Public Utilities Commission*