

California Geothermal Energy Collaborative
Transmission Planning Issues of Interest to Geothermal Development

Monthly Briefing Update: **February 2006**

1. Los Angeles Green Path (LAGP).

The proposed 500 kV connection between the Imperial Irrigation District, the Devers-Palo Verde #2 line and LADWP, also known as the Indian Hills-Upland project, is proceeding through the WECC Regional Planning Project Review Process. The WECC Planning Coordinating Committee accepted the final LAGP Regional Planning Compliance Report on February 1, and the WECC Technical Services Subcommittee granted Phase 2 status to the LAGP on February 23. LADWP has revised its Study Plan for the project in consultation with the Regional Review Group formed to analyze the project; power flow and voltage stability studies are scheduled to be completed on March 20, 2006.

The plan of service proposed by LADWP for this line includes export of 400 MW of geothermal resources from the Salton Sea region to Los Angeles. Environmental groups have raised the concern that the remaining 600 MW-800 MW capacity of the line and its connection to the Devers-Palo Verde corridor would be used to provide access to fossil resources in Arizona and New Mexico. At this point, however, no formal opposition to the LAGP project has emerged.

In a potentially related development, at its board meeting the week of February 6, LADWP approved the purchase of 5,860 acres of Imperial Valley land for the development of geothermal power production facilities. A preliminary assessment of this land by GeothermEx identified roughly 85 MW of geothermal potential. LADWP has not yet identified geothermal companies to develop this resource. Any resource able to be developed in this location would presumably utilize LAGP transmission facilities to the Los Angeles load center.

- 2. Conference on Western Transmission Projects.** The New Frontier Power Summit will be held April 17-19 in San Diego. This conference is intended to explore synergies among the major western transmission projects currently proposed. These include the Frontier Line (WY-UT-NV-CA); the TransWest Express (WY-UT-AZ, with possible spur lines to NM); the Sierra Pacific Ely-Las Vegas project; New Mexico projects; and Tehachapi and Imperial Valley transmission. The conference will begin with a press conference by Governors Schwarzenegger, Guinn, Huntsman and Freudenthal, of California, Nevada, Utah and Wyoming, respectively, the evening of April 17. FERC Commissioners Brownell and Kelly are also expected to participate in the last session of the conference, the morning of April 19.

All of these proposed transmission lines are of interest to geothermal development. The Sierra Pacific project is intended in part to provide access to north/central Nevada geothermal resources; the Frontier Line might also provide access for Utah and northern Nevada geothermal resources. The TransWest Express and New Mexico projects could provide market access for New Mexico geothermal resources; and the Imperial Valley projects (Sunrise Powerlink and Coordinated Green Path projects) would provide access for geothermal development in that region.

The conference will be held at the Coronado Island Marriott, 2000 Second Street, San Diego. For an agenda, go to: <http://summit.frontierline.org/agenda.htm> and to register, contact <http://summit.frontierline.org/default.asp>.

3. **New CPUC Rulemaking, R.06-02-012.** This new rulemaking, adopted at the CPUC business meeting February 16, supersedes the current RPS proceeding, R.04-04-026 for all unresolved RPS issues. It will consider how to coordinate proceedings on transmission infrastructure, along with other issues including coordination with the California Solar Initiative and the participation of energy service providers, community-choice aggregators and small/multi-jurisdictional utilities in the RPS.

4. **Legislation Introduced to Address Transmission Issues.** Senator Martha Escutia (D-Montebello), chair of the Senate Energy, Utilities and Communications Committee, is again carrying SB 1059 this year. This bill would authorize the CEC to create transmission corridor zones throughout the state. AB 974, introduced last year by Assembly Speaker Fabian Nuñez, would require the CPUC to streamline its transmission siting and permitting process. Legislative leaders, who held several meetings with transmission stakeholders in February, have indicated their understanding that transmission issues are critical to meeting the state's energy, economic development and environmental goals.

5. **Wyoming Infrastructure Authority (WIA) Seeks Renewables Projects.** On February 22, the WIA issued a request for proposals for renewable energy projects in the state. Geothermal projects are explicitly named as qualified for bidding in this RFP process.

The WIA hopes to secure an allocation of the Clean Renewable Energy Bonds (CREBS) authorized by the Energy Policy Act of 2005. As an essentially interest-free source of capital, these tax-credit bonds could reduce the overall cost, and thus enhance the competitiveness of renewable generation projects in Wyoming. Potential geothermal projects that need no new transmission may be ranked ahead of projects that require new transmission. But the WIA is actively developing several major new transmission facilities, and proposed geothermal projects may be able to take advantage of these lines as they become better defined over the next few years.

The WIA intends to partner with qualifying renewable energy developers to apply for an allocation of CREBS. Interested geothermal companies must file an application with the WIA by March 20, 2006. Proposals should be submitted to WIA Executive Director Steve Waddington (steve@wyia.org; phone 307 635-3573).

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