California Geothermal Energy Collaborative

Transmission Planning Issues of Interest to Geothermal Development

Monthly Briefing Update: **August 2005**

1. **Imperial Valley—Comment Alert**. The Imperial Valley Study Group (IVSG) will recommend a generation-transmission development plan for exporting 2,200 MW of geothermal power from the Imperial Valley in a filing to the California Energy Commission on September 30, 2005.

   The plan envisions three phases of development, with 645 MW in service by 2010; an additional 645 MW in service by 2016; and an incremental 910 MW in service by 2020. The plan is intended to make Imperial Valley geothermal resources available to purchasers across California and in Arizona as well. A draft of this recommended development plan will be available for comment by the close of business on **September 12**. Comments must be submitted by September 16, 2005.

   Comment is invited especially from geothermal companies having development plans at any KGRA in Imperial County in the period to 2020. Such input may improve the plan and help ensure that its transmission access provisions are workable for developers. To comment, please download the draft from the IVSG website, www.energy.ca.gov/ivsg/.

   The IVSG will hold a meeting to take comments on its recommended development plan from stakeholders and the public on September 15, 2005, 1:00 – 5:00 PM. This meeting will be held at the office of the San Diego Association of Governments (SANDAG), 401 B Street, San Diego, 8th Floor.

   The Los Angeles Department of Water and Power (LADWP) has recently joined the IVSG, and has joined with Imperial Irrigation District (IID) in a proposal to build a 500 kV connection between the LADWP and IID systems that would, among other things, enhance transmission access for Imperial Valley geothermal resources. This proposal may complement and/or change aspects of the IVSG plan; detailed studies will be necessary later this fall. Information about the LADWP/IID proposal will be presented at the October, 2005 STEP meeting (see below). A direct LADWP-IID connection may facilitate geothermal purchases especially by municipal utilities in Southern California.

   The IVSG has developed a permitting strategy covering the overall, multi-year generation-transmission development project. The major participants are scheduled to begin permitting activities this fall.

2. **STEP**. The next meeting of the Southwest Transmission Expansion Plan will be Friday, October 28, 2005, 9:00 AM-3:00 PM, at the SDG&E Century Park complex, 3816 Century Park Court, San Diego. LADWP and IID will present the 500 kV line. They

propose to build to access geothermal resources in the Imperial Valley. Developers whose projects may affect, or be affected by flows from Arizona and/or southern Nevada into California may find useful information about planned regional transmission upgrades.

The meeting will also include an update on Southwest Area Transmission (SWAT) planning. Among other projects, SWAT is considering plans to bring wind and geothermal power from New Mexico to markets in Arizona, southern Nevada and California.

3. **SCE Transmission Ranking Cost Report**. Southern California Edison (SCE) has developed a conceptual transmission plan to accommodate the significant amount of geothermal potential recently identified in the northeast section of its service territory.[1] In its August 22, 2005 filing with the CPUC, SCE significantly revised its Transmission Ranking Cost Report (TRCR) for renewable resources located north of Lugo, in Inyo, Mono and San Bernardino Counties.

   The CEC's Electric Transmission Plan for Renewable Resources in California identifies 350 MW of geothermal resource in this region. Of this amount, 60 MW is currently in the SCE interconnection queue. Section 6 of the TRCR (pp. 6-1 – 6-11) describes the existing transmission system in the region, and the methodology SCE used to develop its conceptual transmission plan for accessing those resources.

   As ordered in CPUC Decision 05-07-040, "Interim Opinion Regarding Transmission Costs in RPS Procurement" (July 2005), SCE has for the first time provided the annual carrying charges (i.e., its revenue requirement) and the cost per kWh (bid adder) of the required transmission upgrades (see Table 6-6, on p. 6-11). These provide bidders with useful information on how their projects will be ranked, and make the TRCR process much more transparent. In addition, D. 05-07-040 orders that the costs of transmission upgrades will now be allocated to generators on a pro rata basis in the ranking process.

4. **SSG-WI 2015 Planning**. The Seams Steering Group-Western Interconnection (SSG-WI) is now developing its 2015 cases. These will be used as the basis for transmission expansion planning in every sub-region: the Pacific Northwest (NTAC); Rocky Mountains (RMATS), Southwest (SWAT-STEP); and California. CDEAC, the Clean and Diversified Energy Advisory Committee established by the Western Governors Association, will also use the SSG-WI 2015 case to develop its recommendations for adding 30,000 MW of clean generation in the Western Interconnection by 2020.

   The SSG-WI 2015 case must, among other things, satisfy all state renewable energy and IRP requirements. SSG-WI staff has asked the states, utilities and generators

[1] Transmission Ranking Cost Report of Southern California Edison Company (U338-E) for Renewable Portfolio Standard Procurement, p. 1-1.

having projects that will go into service in the 2008-2015 period to review the resources in the SSG-WI Generation Additions stack to make sure they are complete. Comments should be directed to Mary Johannis of the BPA Industry Restructuring Team by mid-September: mhjohannis@bpa.gov; 503-230-3047.

Monthly Briefing Updates are a service of the California Geothermal Energy Collaborative. For more information on the issues and programs discussed here, contact:

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