



**Western States Energy
Solutions, LLC**



August 30, 2006

Jerry Smith
Staff Engineer
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Subject: BTA Comments
Docket No. E-00000D-05-0040

Dear Jerry:

The Biennial Transmission Assessment this year is very informative and has begun to achieve your goals for the study. In our opinion this document is becoming a planning score card for the accomplishment of the transmission and electricity goals of the Arizona Corporation Commission. To that end and representing our clients West Wind Wires and Interwest Energy Alliance, we submit the following suggestions:

Paragraph 7.1.1 could become the renewables paragraph and address the achievement of the transmission necessary for renewable energy. It could address the need for Arizona and the west to embrace renewables as a national and Arizona priority to get off fossil fuels as much and as soon as possible. This paragraph would address renewables in general to include efforts in solar, geothermal, biomass, and wind.

Paragraph 7.1.1 should recognize the work being done by NREL and others to integrate wind as a viable and essential renewable in a reliable manner. This could address solutions for the litany of reliability concerns that you listed. Understanding the problem is the first step to development of solutions.

Paragraph 7.1.1 should address the accomplishments of the various utilities in embracing renewables and in meeting the RPS of Arizona. This would be an analysis section similar to the one established for Reliability Must Run Generation. APS, TEP and SRP are making great strides in this arena and they should get credit for their work.

Paragraph 7.1.1 can address the transmission challenges of use of renewables, and efforts to import renewables and to use the renewables inside the state. The activities of ZIA could be addressed?

Paragraph 7.1.1 could include all the efforts to analyze the advantages of in-state or out-of-state being conducted by NAU.

Paragraph 7.1.1 could evaluate the impact of solar steamers on the reliability aspect of the renewables portfolio.

Perhaps paragraph 7.1.1 could be expanded to a separate section addressing the renewables goals of the ACC and their accomplishment.

As a concluding thought we offer a comment about this report and transmission planning in general for your consideration. Throughout this report there are implementations of concepts which were brought by the ACC Staff and the Arizona Utilities to the recently completed Western Governors' Associations Clean and Diversified Energy Initiative project. That project looked at the feasibility of adding 30,000 MW of clean energy in the West by 2015 and increasing energy efficiency 20 percent by 2020. A key part of this analysis was to ensure adequate transmission for the region. There are a significant number of recommendations related to transmission that can be found on pages 20 and 21 of the CDEAC report *Clean Energy, a Strong Economy and a Healthy Environment*, Western Governors' Association, June 2006. (attached). <http://www.westgov.org/wga/meetings/am2006/CDEAC06.pdf> In adopting the resolution and final report of recommendations the Governors supported the addition of significant amounts of renewable energy and energy efficiency resources that will impact the amount, size, location and cost of transmission infrastructure in Arizona and the West. We recommend that the work of the Clean and Diversified Energy Advisory Committee (CDEAC) be referenced and the planning and regional cooperation efforts of the several states and Arizona to accomplish those goals be recognized. The utilities and the ACC Staff have not stood idly by in this area in the last two years.

We believe that the assessments such as the BTA and regional planning groups such as the Southwest Area Transmission (SWAT) are becoming increasingly important to adequately assess and plan for needed transmission additions. We look forward to participating in the Commission and regional processes to ensure adequate transmission for all energy resources.

Sincerely,

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