

**AMERICAN WIND ENERGY ASSOCIATION  
COLORADO INDEPENDENT ENERGY ASSOCIATION  
COLORADO RENEWABLE ENERGY SOCIETY  
ENVIRONMENT COLORADO  
INTERWEST ENERGY ALLIANCE  
SOUTHWEST ENERGY EFFICIENCY PROJECT  
WEST WIND WIRES  
WESTERN RESOURCE ADVOCATES**

February 9, 2007

Chuck Sisk  
CCPG Chairman  
Electric Planning  
Colorado Springs Utilities  
1521 Hancock Expressway  
Colorado Springs, Colorado 80916

Dear Mr. Sisk:

We are writing to indicate issues of concern to public participants as Colorado Long Range Transmission Planning Group<sup>1</sup> (“CCPG”) members contemplate additional planning work identified in the Colorado Long Range Transmission Planning Study 2005-2015 (“CLRTPS”). As you mobilize to address scope and process for the next long range transmission plan within planning responsibilities that the Colorado Coordinated Planning Group undertakes with the Southwest Area Transmission (“SWAT”) and with the Western Electricity Coordinating Council (“WECC”) and its Transmission Expansion Planning and Policy group (“TEPPC”), we believe that a more focused and higher priority planning effort will be required.

Our concerns fall into four categories.

First, we believe public participation in Colorado long range transmission planning processes should be expanded.

Second, we are concerned with lack of planning for contributions from efficiency and renewable energy resources.

Third we are concerned that utility plans are not being coordinated as they should be.

Finally, we believe that all out of state resources and regional export opportunities should be considered.

Each of these concerns is discussed in more detail below.

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<sup>1</sup> Aquilla Networks, Colorado Springs Utilities, Platte River Power Authority, Public Service Company of Colorado (Xcel Energy), Tri State Generation and Transmission, and Western Area Power Administration.

## 1. Public Participation in the Colorado long range transmission planning process should be expanded.

There are several current and authoritative sources that emphasize needs for public participation in transmission planning. They include:

- Upcoming FERC docket requirements for transmission planning.<sup>2</sup> The FERC proposed rule emphasizes needs for utilities to provide “coordinated, open, and transparent planning processes” and includes reference to eight planning principles: coordination (regular meetings), openness, transparency, information exchange (including review of draft plans), comparability (plans must meet service requests and treat customers comparably), dispute resolution, regional coordination, and congestion studies (each transmission provider must prepare studies annually). While the FERC has not yet issued a final rule on reform of Docket 888, there was little controversy in comments submitted about the proposition that transmission planning needs to be improved.
- Western Electricity Coordinating Council Transmission Expansion Planning Policy Committee. Included in formative WECC TEPPC documents are references to the need for stakeholder participation and inputs.<sup>3</sup>
- National Wind Coordinating Collaborative Transmission Planning Principles.<sup>4</sup> These principles, which are not particularly focused on wind energy, emphasize, among other things, the need to combine resource planning with transmission planning.
- Report of the Task Force on Reliable Electricity Infrastructure. The task force report calls on the Colorado legislature and the Colorado PUC to increase the state’s involvement in regional transmission planning.<sup>5</sup>
- The Western Governor’s Association Clean and Diversified Energy Analysis Committee (“CDEAC”). The CDEAC transmission report includes extensive discussion and focused recommendations addressing critical needs for more and better transmission planning to meet the Governors’ goals for addition of 30,000 MW of new clean energy resources in the West.<sup>6</sup>

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<sup>2</sup> <http://www.ferc.gov/industries/electric/indus-act/oatt-reform.asp>

<sup>3</sup> [http://www.wecc.biz/documents/2006/General/TEPPC-%20White%20Paper-%20\\_17-Jan-06%20version\\_.pdf](http://www.wecc.biz/documents/2006/General/TEPPC-%20White%20Paper-%20_17-Jan-06%20version_.pdf)

<sup>4</sup> The NWCC Transmission Planning Principles emphasize, among other things, the need to coordinate generation planning with transmission planning.

[http://www.nationalwind.org/publications/transmission/Transmission\\_Planning\\_Principles.pdf](http://www.nationalwind.org/publications/transmission/Transmission_Planning_Principles.pdf)

<sup>5</sup> HB 1325 of the 2006 legislative session established the task force, which reported to the legislature on November 1, 2006. The task force report and complete documentation on the utility presentations to the task force are found on

<http://www.dora.state.co.us/puc/projects/ReliableInfrastructure/ReliableInfrastructure.htm>

<sup>6</sup> <http://www.westgov.org/wga/initiatives/cdeac/transmission.htm>

Appendix A to the CLRTPS contains a memo of September 8, 2005 and a draft agenda for the September 15, 2005 meeting that started planning processes that led to the CLRTPS. The memo is addressed to “Transmission and Resource Planners of the Colorado Coordinated Planning Group” and refers to the “companies” that are invited to attend and participate in the planning process. The public, or any other stakeholder than utility companies are not referenced, nor are they invited to participate. At the September 15, 2005 CCPG meeting the public was given minimal time to address their issues.

The CLRTPS process lacked public and stakeholder input into the planning process. Given the scope of impacts at stake in Colorado transmission a process without significant public input is entirely inadequate. For no other reason than to provide support for outcomes of transmission planning, in aid of both private and public approvals that are required to implement budgets and approvals to build transmission plans, a thoroughgoing and extensive public outreach and participation process will be required for Colorado transmission planning to be successful in the future. It might also be the case, depending on success of such an outreach and participation process, that transmission planning would be improved if high quality inputs to the process can be gained by including a broader range of participating entities and individuals.

## **2. Scenarios that plan for expanded contributions from efficiency and renewable energy resources should be constructed.**

In 2004, Colorado state energy policy was changed by the state’s voters by passing initiated Amendment 37. Formerly, legislative and regulatory policy of the state was to emphasize only “least cost” acquisition of new generation resources.<sup>7</sup> After passage of the initiative, the new statute’s<sup>8</sup> legislative declaration expanded state policies to include seven policy goals:

### Section 1. Legislative Declaration of Intent

Energy is critically important to Colorado’s welfare and development, and its use has a profound impact on the economy and environment. Growth of the state’s population and economic base will continue to create a need for new energy resources, and Colorado’s renewable energy resources are currently underutilized.

Therefore, in order to save consumers and businesses money, attract new businesses and jobs, promote development of rural economies, minimize water use for electricity generation, diversify Colorado’s energy resources, reduce the impact of volatile fuel prices, and improve the natural environment of the state, it is in the best interests of the citizens of

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<sup>7</sup> See 4 CCR 723-21, the Colorado PUC’s “Electric Integrated Resource Planning Rules.”

<sup>8</sup> C.R.S. 40-2-124, et. seq.

Colorado to develop and utilize renewable energy resources to the maximum practicable extent.

In addition to this change in state energy policy with regard to the role of renewable energy, the state's policy with regard to expanded roles for energy efficiency measures is also likely to change over the transmission planning periods of relevance to the next CLRTPS. For example, in response to CDEAC recommendations, and in aid of his goals to improve the economy and environment of his state, Utah Governor Jon Huntsman has challenged his state to achieve 20 percent efficiency gains by 2015. In his recent state of the state address Governor Ritter called for Colorado to set similarly aggressive efficiency goals.

With higher minimum levels of renewable energy requirements, and more extensive efficiency goals in prospect, the CCPG and the CLRTPS must incorporate efficiency and renewable energy resources in their planning scenarios for future work.<sup>9</sup> The Rocky Mountain Area Transmission Study contains preliminary approaches to the assumptions and modeling of these resources in a regional study of economics of transmission alternatives.<sup>10</sup> The 2006 CLRTPS is devoid of these considerations.

### **Transmission for independent power projects.**

Another Colorado policy that is involved in transmission planning is the preference in the Colorado PUC's rules for competitive acquisition of new generation resources. This policy is imbedded in PUC's rules<sup>11</sup> for jurisdictional utilities and provides a standard of performance to which non-jurisdictional utility boards of directors might usefully hold their managements.

Competitive generation resource acquisitions are challenged by lack of access to transmission information in preparing bids in response to utility requests for proposals. The Colorado long range transmission planning process should provide information that competitive providers can use to locate their generation projects in areas where transmission can be most efficiently, reliably, and economically provided. This will require a process that both solicits input into the transmission planning process from these entities and firms and provides them with information that informs their bids.

### **Role of independent transmission companies.**

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<sup>9</sup> A recent planning study for "A Balanced Energy Plan for the Interior West" contains extensive documentation for the assumptions that would be required to address these issues. The report is found on [www.westernresourceadvocates.org](http://www.westernresourceadvocates.org).

<sup>10</sup> <http://psc.state.wy.us/htdocs/subregional/home.htm>

<sup>11</sup> See rules cited at footnote 2 above.

It is clear from testimony provided and the record reported to the legislature by CCPG and Colorado utilities to the recent Task Force on Reliable Electricity Infrastructure<sup>12</sup> that utility capital to build new transmission projects is limited. Therefore, it may be in the interests of utility ratepayers to engage independent transmission companies to provide their capital, project development, and construction and operations abilities for new transmission Colorado projects, rather than further taxing financial and human capital resources of Colorado utilities. Cooperation of these entities should be sought by CCPG transmission planners, particularly as utility capital sources are constrained and capital costs are raised by large scale utility generation construction projects.

### **3. Utility plans should be coordinated.**

The 2006 CLRTPS contains two relatively mutually exclusive plans, one for Tri State's generation proposals from the southern part of Colorado and one for Xcel Energy's northern Colorado resource options. While the study notes that the two options are not coordinated and should be, agendas for CCPG meetings held on August 17, 2006 and December 12, 2006 did not include attention to tasks of coordinating these plans. This task should not be delayed, since a "coordinated" plan that contains two mutually inconsistent and uncoordinated options is not a "coordinated" plan at all.

Weld County Commissioner Mike Geile asked, during deliberations of the Task Force on Electric Infrastructure why Western, then Xcel, then Tri State each came before his county commission with separate, uncoordinated transmission proposals. His question was why the utilities couldn't figure out what they needed and come before the Weld commission with a coordinated proposal. These questions were diagnostic: the CLRTPS is "coordinated" in name only.

### **4. All out of state resources and export opportunities should be considered.**

The purposes of coordinated planning by Colorado utilities should include providing transmission to low cost, low risk, and low environmental impact resources available to serve Colorado consumers. The representatives of the Colorado Public Utilities Commission who are involved in scoping discussions about transmission planning by Colorado utilities should insist on this purpose. We are concerned that they failed to do so for the purposes of the 2006 plan. For example, the RMATS study showed economic benefits to Colorado utility customers from low cost wind resources in Wyoming, and proposed upgrades to Tot 3 to make those resources available to Colorado consumers. Despite this,

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<sup>12</sup> HB 1325 of the 2006 legislative session established the task force, which reported to the legislature on November 1, 2006. The task force report and complete documentation on the utility presentations to the task force are found on <http://www.dora.state.co.us/puc/projects/ReliableInfrastructure/ReliableInfrastructure.htm>

the 2006 plan devotes no attention to those resources. We believe this is a serious flaw that needs to be addressed.

The purposes of coordinated planning by Colorado utilities should include the policy benefits contained in Amendment 37 that emphasize attraction of new businesses and jobs, rural economic development, and environmental protection. These policy goals would be aided by transmission study scenarios that investigated potentials for Colorado's abundant renewable energy resources to join with those of other adjacent states whose transmission planners are working hard on export strategies and transmission plans. CCPG must include study of export potential for Colorado resources in its future scope of work. Unfortunately, the CLRTP of 2006 ignored these potential export potentials.<sup>13</sup> The next plan must include them.

Sincerely,

Ronald L. Lehr  
AWEA and on behalf of the Groups listed above

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<sup>13</sup> Only speculative coal resources proposed by Tri State for connection to Colorado loads from Kansas were considered as out of state resources. That these resources were considered to the exclusion of imports from other states and exports to other states shows inappropriate limitations on the scope of the 2006 CLRTPS.