

TO: Jeff Miller, Chair, Subregional Coordination Group

FROM: Steve Ellenbecker and Tom Carr, State-Provincial Steering Committee Staff

DATE: May 16, 2011

RE: **Questions on the process for updating the list of foundational projects; and, request for information on the current list of projects**

The foundational projects list and process has been the topic of significant discussion at SPSC and SPSG meetings. At the January 2011 SCG meeting, Chairman Savage mentioned that the SPSC has an interest in having a greater level of involvement in the development of future foundational projects lists. At the April SPSC meeting, this interest was reaffirmed as an action item.

Our understanding is that an updated list of foundational projects is due to WECC staff from the SCG in midsummer 2011. Therefore, it is timely for the states/provinces to highlight key questions about the existing list, the criteria used to evaluate project status, and the need for close coordination with states going forward to update projects lists and related documentation. We believe the following questions reflect the questions raised and discussions of the foundational projects that have taken place in SPSC and SPSG meetings. Our hope is that we can cooperate to achieve an improved level of communication and understanding related to the development of foundational projects and other transmission project categories being evaluated by SCG.

Questions on foundational project selection criteria and project elements

1. Is a consistent screen applied to all potential projects across the West? Were there non-quantitative criteria applied that allowed some projects to be selected in 2010? Will SCG be revisiting its criteria in 2011 and identifying a uniform screening process? What changes in criteria from those used in 2010 are anticipated?
2. What are the reasons why the foundational projects were proposed and being built? How many and what projects will provide relief for heavily congested pathways? How many and what projects will provide new access to renewable resource-rich areas? How many and what projects will provide substantive reliability gains? How many and what projects are being built to access resources to meet loads?
3. What is the number of projects under construction and due to be operational within 1 year, 2 years, 3 years, etc? What is the number of projects still in the permitting and siting process and what is the status of those reviews? What is the number of projects that have undergone either a PUC-driven IRP review or rate case review? Have any of the proposed projects stalled in the siting and permitting process? How many projects have been delayed?
4. Are there any currently identified foundational projects that SCG would drop now, and why?

5. Are there any “potential projects” that now meet or are close to meeting the criteria to be placed on the foundational project list in 2011? Are any new project categories being considered in the 2011 updates?

Specific questions about the foundational projects and other transmission investments

1. How many miles of lines included in the foundational transmission projects list are under construction?
2. How many miles of lines included in the foundational transmission projects list are permitted?
3. How much additional renewable energy will be transmitted (estimate only) if the foundational transmission projects list lines are built? (If this is not feasible, a general sense of whether the lines are intended for reliability or to enable renewable resource delivery would be useful.)
4. What are the expected resource mixes, to what extent do each of the projects match the renewable resource areas identified through the Western Renewable Energy Zones (WREZ) or state renewable zone development processes, what types of land will be included in the project footprints, and what kinds of stakeholders are engaged in project development for the projects included on the foundational transmission projects list?
5. What reliability improvements are likely to result if the foundational transmission projects list lines are developed?
6. What transmission projects have come online in the last five years in the West and how much money has been invested in them?

Possible further actions

In addition to these detailed questions, the SPSC intends to continue to evaluate the criteria used by the SCG/SPGs to decide whether a project should be considered a foundational project. We may develop a straw proposal that would alter the criteria and may also suggest that more than two categories of lines (foundational and potential) could be developed. We believe much greater documentation of the basis for categorization is needed going forward.

We look forward to receiving answers to the above questions and to discussing the process and schedule for the 2011 transmission project status update.