

Memorandum

To: Joseph Hanna, U.S. Department of Energy

From: Rich Halvey, Western Governors' Association

Subject: Western Renewable Energy Zones Quarterly Report – December 31, 2010

1. DOE Award Number.

DE-FC26-08NT01788, Awarded to Western Governors' Association

2. Project name and Project Director.

Western Renewable Energy Zones, Rich Halvey

3. Reporting Period.

October 1, 2010 – December 31, 2010

4. Comparison of goals with actual goals.

The goals of the project remain the same as originally stated.

5. Major Activities/Accomplishments.

Phase 2 of the WREZ project has two parts: WREZ input into transmission plans; and development and dissemination of a Delivered Cost Model. WREZ Phase 1 data is being used in WECC interconnection-wide transmission planning and in some sub-regional transmission planning work. The WREZ Phase 2 model is being used in WECC planning.

Transmission Planning. The task of studying transmission needs to meeting a 33% RPS level in 2019 and the evaluation of a transmission superhighway overlay in 2029 was largely completed in the second quarter of 2010. Refinement of studies related to the WREZ requests is continuing in the WECC 2010 study cycle. In the past quarter, contractor participated in the following WECC transmission planning meetings during the quarter: Transmission Expansion Policy Committee (TEPPC) on November 9-10; TEPPC's Technical Advisory Subcommittee (TAS) on November 8; and TAS's Studies Work Group on October 7, November 1, November 18 and December 8. Contractor chaired the Studies Work Group's Resource Team that has the responsibility for specifying type and location of future generation added in the Western Interconnection.

Delivered Cost Model. The WREZ Delivered Cost Model was updated to assist utilities in analyzing preferred resource zones. The updated model will be used by RAP in their interviews with utilities and PUC commissioners under the Phase 3 activities of DE-OE000422 grant. Additional updates to the model (e.g., incorporating 80 meter height wind data) are underway.

6. Cost Status.

Funds spent at December 31, 2010 - \$1,088,104

7. Schedule Status.

(See Attachment A)

8. Changes to objectives/approach.

None

9. Actual or anticipated problems.

N/A

10. Absence or changes in key personnel.

No personnel changes have occurred since the last reporting period.

11. Description of any product produced or activities accomplished.

- a. WREZ Generation and Transmission Model and accompanying user guides at http://www.westgov.org/index.php?option=com_content&view=article&catid=102%3Ainitiatives&id=220%3Awrez-transmission-model-page&Itemid=81

Attachment A: Project Schedule

The activities below reflect current progress in Phase 1 of the WREZ. Activities in black have been completed, yellow are in progress, and red are still to be completed.

	Calendar 2008				Calendar 2009				Calendar 2010			
	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th
Phase 1 – REZ identification												
A-1 Assemble information		■										
A-2 Technology characterization		■	■	■	■							
A-3 Resource assessment		■	■	■	■	■						
A-4 Supply curves			■	■	■	■	■					
A-5 Delineation of REZ boundaries			■	■	■	■	■					
B-1 Steering Committee		■	■	■	■	■	■	■	■	■	■	■
B-2 Technical Committee					■	■	■	■	■	■	■	■
B-3 Kick-off stakeholder plenary meeting		■										
B-4 2 nd stakeholder plenary meeting						■						
Phase 2 – Transmission												
Keep planning groups informed of REZ project status*		■	■	■	■	■	■	■	■	■	■	■
REZ input into sub-regional planning processes			■	■	■	■	■	■	■	■	■	■
REZ input into WECC TEPPC process			■									■
REZ input into specific project planning processes (e.g. High Plains Express)		■	■	■	■	■	■	■	■	■	■	■
Development of FEAST-type model (i.e., WREZ GTM)		■	■	■	■	■	■	■	■	■	■	■
Training of LSEs and others on model		■	■	■	■	■	■	■	■	■	■	■
Phase 3 – Procurement coordination for renewables												
									■	■	■	■
Phase 4 – Institutional options to facilitate interstate transmission for renewables												
						■	■	■	■	■	■	■