



Western Interstate Energy Board/ WINB

March 24, 2010

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Scott Cauchois, Chair
Transmission Expansion Planning Policy Committee
Western Electricity Coordination Council
615 Arapeen Drive, Suite 210
Salt Lake City, UT 84108-1262

Dear Scott:

The Topic B State-Provincial Steering Committee comprises Governor's representatives and public utility commissioners from the Western states and representatives from British Columbia and Alberta. On behalf of the State-Provincial Steering Committee, I am writing to convey the Steering Committee's position regarding issues related to our study request submitted to the Transmission Expansion Planning Policy Committee (TEPPC) on January 31, 2010. We are bringing these issues to your attention before the TEPPC meeting on March 25 and the Scenario Planning Steering Group on March 26.

The Steering Committee's study request calls for a reference case and three scenarios that should be studied in 2010. The reference case will incorporate assumptions from current resource plans of load-serving entities and the regulatory review of those plans. The scenarios address three critical policy and regulatory decisions facing Western states and provinces – high demand-side policies, a carbon emission reduction scenario, and the implications of technological breakthroughs. We asked TEPPC to study some of these scenarios in a 10-year and 20-year time frame. We urge TEPPC to conduct studies of our recommended reference case and three scenarios.

During the TEPPC review process, two issues developed about the implementation of our study request. First, there has been a debate whether TEPPC should model 20-year cases in the current 2010 study cycle. The Steering Committee strongly urges TEPPC to model our study requests for both the 10

Steve Ellenbecker
Chairman

Douglas C. Larson
Executive Director

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year and 20 year time frames in the 2010 study cycle. The 20 year cases yield important information for policy purposes and serve to fulfill state and provincial commitments for DOE funding. The Steering Committee encourages TEPPC to move with all deliberate speed to obtain a new long-range planning tool for use in the 2010 study cycle, and in the alternative, use the existing production cost model (Promod) for the 20 year cases.

Second, the Steering Committee submitted a carbon reduction scenario that is similar but different than the Western Grid Group. The Steering Committee reiterates its support for a carbon reduction scenario that meets targets set in the Waxman-Markey federal legislation (17% reduction from 2005 levels in 2020 and 42% reduction from 2005 levels in 2030), and higher carbon reduction targets enacted by individual states such as California's AB 32 statute. Additionally, the Steering Committee believes specific criteria and target levels that may be considered for any future coal plant retirements need more discussion and can be worked out later. We intend to work closely with the Western Grid Group and others on modeling carbon futures.

We look forward to addressing these issues and other matters at the upcoming TEPPC and SPSG meetings.

Sincerely,

A handwritten signature in black ink that reads "John F. Savage". The signature is written in a cursive, flowing style.

John Savage, Chair
State-Provincial Steering Committee

cc: Louise McCarren
Brad Nickell
Steve Walton
State-Provincial Steering Committee