

Arizona Corporation Commission

Fifth Biennial Transmission Assessment Commission Decision 70635

**Workshop on Transmission to Support
Renewable Energy Development**

**SRP General Comments
Concerning Policy Issues**

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Timing

SRP Will Invest and Develop Transmission Based on Load Growth and Renewable Energy Requirements Defined by SRP's Board

Permitting of Corridors to Renewable Energy Zones

- ACC should support the siting and permitting of corridors for transmission in advance of specific projects
- Broader Evaluation of Need
- Provide access to renewable resources
- Identify transfer capability needs
- Facilitate in-state needs and export opportunities

Longer Terms of CEC

- Reduce development time frame difference in development between transmission and renewable resources
- Provide certainty to renewable energy financing
- Provide certainty to renewable energy development process

Who Pays

SRP Will Seek Lowest Cost Options to Develop Transmission

SRP Will Only Invest in Transmission That Has Direct Benefits to SRP Customers

SRP supports joint ownership of transmission projects. Parties are responsible for investments to meet their needs. Each party responsible for their *pro rata* share of ownership

SRP will not invest for speculative or third party interest

SRP believes the direct beneficiary should pay the cost to develop the transmission.

Import/Export

SRP will participate in regional and sub-regional planning to identify transmission options that meet multiple purposes

SRP will endeavor to work with other parties to develop the most economical, efficient, and versatile transmission projects

SRP will seek opportunities to include wholesale or export options in transmission development

Definition of Renewable Transmission Projects

The definition of a Renewable Transmission Project should be based on broad characteristics and the projected ability to meet designated objectives, such as “Any new transmission or transmission upgrade that provides for access to and delivery of renewable energy resources in Arizona.” An upfront designation will provide certainty for development.

Definition should avoid the use of a specific capacity or energy-hours targets for transmission. How do you measure for compliance (instantaneous values or averaged over different time frames) and what are consequences for non-compliance?

Use of capacity or energy-hour target values introduces potential non-discriminatory open access issues to transmission that would further complicate the use of a specific target. Might introduce private-use type restrictions.

SRP will not limit transmission for renewable energy to designated renewable energy zones as this will likely restrict access to renewable projects

Prioritization of Projects

SRP desires transmission that can meet long term needs and has the ability to serve multiple purposes

Can access multiple resources or energy hubs

Cost and schedule

Distance from service territory

Integration into local transmission system

Ability to align partnerships

Permitting issues