



**Federal Energy Regulatory Commission
April 19, 2007
Open Commission Meeting
Statement of
Commissioner Jon Wellinghoff**

Item E-5: California Independent System Operator Corporation (Docket No. EL07-33-000)

"A recent Yale University poll found that over 85 percent of Americans support the expansion of renewable energy. This public mandate for accelerated use of renewable energy to power our homes, businesses, and factories is validated in polls conducted at the local and state level from Florida to Idaho. Such support has been persistent and increasing for decades.

Now with heightened concerns about global warming and foreign oil dependence, as well as this agency's statutory responsibility to maintain and enhance the reliability of the electric grid, our collective will to accelerate the integration of clean, reliable, domestic renewable energy sources into our nation's energy portfolio should be clear.

In this context, ten years ago, 1 percent of this country's electric capacity came from non-hydro renewable energy sources. Today, that figure is still less than 2 percent. Our voting to grant the CAISO's Petition for Declaratory Order (Agenda Item E-5) has the potential to radically change that statistic by eliminating one of the most persistent barriers to widespread renewable development.

Renewable resources such as wind and geothermal are usually found in economically developable quantities at dispersed locations remote from load centers. Each discrete site is also typically small in size relative to many central station fossil fuel plants or nuclear units, which often exceed 500 to 1,000 MW. Because of these unique characteristics, renewable projects must be aggregated in large scale to justify the high transmission costs that often accompany delivering power from such remote locations. With separate and often competing developers pursuing differing timelines for development, the collective effort needed for large transmission project funding to deliver the renewable resource to market often becomes impossible. As a result, the renewable resource field is never developed, and the region and the nation suffer the consequences.

By our order today, we enable a mechanism that can overcome that barrier to funding transmission for efficient renewable resource development. In granting the CAISO's petition, we recognize that the challenges faced by generation developers seeking to interconnect renewable generation are both real and distinguishable from difficulties faced by other generation developers. We make clear that flexibility in applying our interconnection policies is needed to recognize the unique characteristics of renewable generation. We also make clear that recognizing the unique characteristics of renewable generation does not constitute undue discrimination against other generators.

I commend the CAISO for developing this proposal. I would particularly like to recognize Greg Cook, the CAISO's manager for tariff and regulatory policy development, who played a significant role in developing this proposal and with whom I previously enjoyed working at the Public Utilities Commission of Nevada.

I also encourage transmission providers in the West and across the country to take note of today's order. In comments on the CAISO's petition, Nevada Power Company and Sierra Pacific Power Company (the Nevada Companies) argued that

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the same principles should apply to other transmission owners. I am pleased that today's order acknowledges the Nevada Companies' request. We welcome similar proposals from other transmission providers, including both independent transmission providers like the CAISO and vertically-integrated entities like the Nevada Companies."