

RTTF Finance Subcommittee Overview

Sixth Biennial Transmission Assessment

Brian Cole

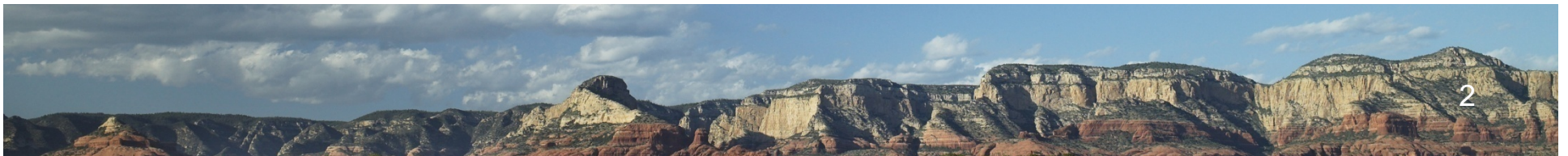
Arizona Public Service

June 3, 2010



RTTF Finance Subcommittee

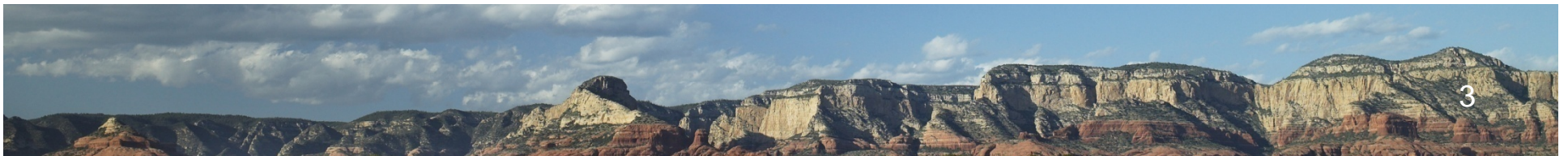
- Created by the RTTF in January 2009
- Chaired by Tom Wray, Southwestern Power Group
- Primary Objectives
 - Provide the RTTF with recommendations for financing methodologies for renewable transmission projects (RTP) in Arizona
 - Determine what constitutes a RTP
 - Provide information & recommendations to support utilities responsible for filing responses to the 5th BTA Order



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Final Report Findings

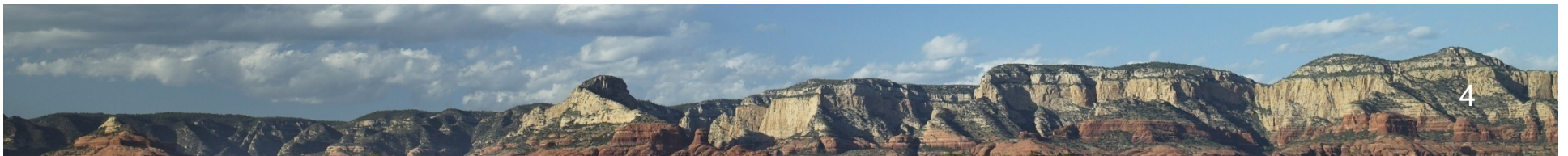
- Report specifies types of RTP development costs that should be eligible for rate recovery by utilities
- Proposes development of utility-specific Renewable Transmission Action Plan (RTAP)
 - Utility will describe how each RTP is expected to advance renewable resource development in Arizona
 - Utility may request Commission consideration and order of special cost recovery



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Final Report Findings

- RTPs include:
 - new transmission line(s),
 - upgrade(s) of existing line(s), or
 - the development of transmission project(s) previously identified by the utility which provide either:
 - access to renewable energy resource areas
 - enables renewable resources to be delivered to load centers
- Purposely did not define the amount of renewable generation that needs to be on the line

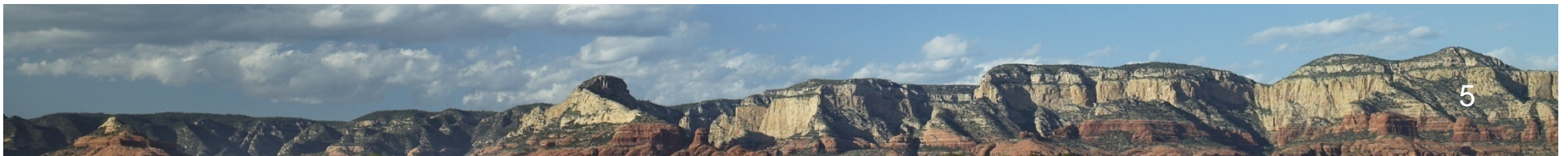


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Final Report Recommendations

Recommendations to the Commission:

- Adopt the RTAP procedure as part of the Ten Year Plan filing requirement and the BTA process
- Coordinate RTP cost recovery with related determinations made by FERC
- RTP designation and special cost recovery should be determined by the Commission on a case-by-case basis



Finance Subcommittee Final Report

Final report can be found at:

http://www.westconnect.com/filestorage/finance_sub_final_report_complete_100509.pdf

