



BrightSource

September 9, 2011

The Honorable Stephen Chu
Secretary of Energy
Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Chu:

BrightSource Energy, Inc. supports the delegation by the Department of Energy to the Federal Energy Regulatory Commission ("FERC") of the Department's authority under Section 1221 of the Energy Policy Act of 2005 (the "2005 EAct") to designate National Interest Electric Transmission Corridors ("NIETCs"). Robust, regional transmission is an essential foundation for the clean energy infrastructure that the nation needs to power a sustainable, reinvigorated economy. This delegation, by consolidating federal authority to act as a "backstop" for siting interstate electric transmission lines when states have not been able to work together to provide for such transmission, will help ensure a secure, least-cost, reliable and dependable energy future for our country.

Countless studies, and decades of experience in the West, have shown that energy costs are reduced and reliability is improved when regional transmission allows balancing areas to readily rely upon each other. Major north-south and east-west backbone transmission projects across multiple states that were built well over a quarter-century ago have paid for themselves many times over -- by enabling exchanges of energy that provided access to markets and generation throughout the region. The need for robust regional transmission increases tremendously as renewable energy penetration increases for several reasons: (i) the best renewable resource areas are often distant from load centers, and know no state boundaries; (ii) geographical diversity of renewable generation reduces the impacts of localized weather events on renewable energy supply, as reductions in one area can be balanced against supply from another; and (iii) much as the West has traditionally exchanged power with the seasons, the West will need to exchange renewable power over the day, to better match production and load curves.

In fact, the results of a recent study by the California Independent System Operator Corporation ("CAISO"), demonstrating that California can achieve its 33% Renewables Portfolio Standard objectives, equally demonstrated the continuing importance of a robust and coordinated Western grid, as it projected higher export and import levels relative to historical levels, at least in certain hours. CAISO and the Western Electricity Coordinating Council ("WECC") have also begun to examine mechanisms to improve the operational integration of renewables, as they have recognized that the wider the region utilized for integration, the lower the costs of integration. These issues are by no means limited to California and the West. An August 2011 briefing paper by the ISO/RTO Council, entitled "Variable Energy Resources,

System Operations and Wholesale Markets,” notes that renewable integration issues are reduced across broader areas, and that transmission constraints between balancing areas increase coordination burdens and integration difficulty. In short, our aging transmission infrastructure must be enhanced if we are to reach our important economic and environmental goals.

Unfortunately, unlike the far-seeing authorities of the past who reached across state lines to build the links we depend upon today, we now are experiencing great difficulty finding the common agreement necessary to achieve success with regional transmission. The need for regional transmission solutions is particularly great in the Southwest, where the links between California, Arizona and Nevada are in need of reinforcement to reduce congestion and enable the imports and exports required for reliability and reduced costs. A consolidated federal NIETC authority can help bring all concerned together, and ensure the transmission that will serve the common good will actually be built and be placed in service in time to meet our growing needs.

We believe that the consolidation of NIETC authorities, and the careful exercise of those authorities to increase coordination between the states and among all stakeholders, will be of great service to the nation and to providing least-cost, reliable solutions to each state’s clean energy needs. We hope you will act to consolidate all Section 1221 authorities within FERC, and thus better enable NIETC designation authorities to yield the benefits intended by the 2005 EPAct.

Sincerely,



Joseph Desmond

cc: The Hon. Jon Wellinghoff, Chairman, Federal Energy Regulatory Commission
Lauren Azar, Senior Advisor to the Secretary of Energy
Michael Bardee, General Counsel, Federal Energy Regulatory Commission
David H. Meyer, Department of Energy, Office of Electricity Delivery and
Energy Reliability, (OE-20)