

Comments of Michael Evans
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Per the CAISO request, please find attached comments to the recent conference call on June 22 regarding the summary of transmission study assumptions for the Southern California Transmission Projects.

Slide 12

INDIAN HILL substation - There is no point in including the LADWP Indian Hills substation. It would not make sense to include this substation without also including all of the 230 kV upgrades on the IID system as described in the IVSG Report posted on the CEC web page. IID has no firm plans or commitments to construct these upgrades, without which the Indian Hills substation is not justified.

The ISO is including only transmission projects that it has recommended for approval to the ISO Board of Governors. Such recommendation requires demonstration of either a reliability need or economic benefits in excess of cost of the transmission upgrade. At the fall STEP meeting, LADWP indicated it expects the ISO to pay for half or more of the cost of the 500 kV transmission line proposed to extend west of Indian Hills. There is no report of the ISO starting an economic evaluation of the benefits of such a line and substation to ISO ratepayers let alone recommending it to the ISO Board of Governors. There is no suggestion that these facilities are needed for reliability to ISO ratepayers. Therefore, we see that there is no need or purpose for the ISO to expend time and resources on further study of this proposal.

Slide 14,15, and 16

SYSTEM TOPOLOGY ASSUMPTIONS - Many new transmission projects and upgrades are listed. To the extent that these projects and upgrades are not included in WECC cases, the ISO should provide sufficient detail of these upgrades to permit others that might also perform modeling analysis to include them in their models. It might be appropriate to limit the information to WECC members or parties that have signed WECC confidentiality agreements.

Slide 18

NEW WIND GENERATION - This page seems to suggest that unlike the new geothermal and solar resources, the ISO will assume all of the new wind generation in the initial cases, rather than phasing them in similar to the geothermal and solar resources. It is not reasonable to assume all wind generation would all appear by 2010. This assumption could affect the economic analysis of other transmission upgrades. The new wind generation should be phased in similar to the geothermal and solar generation.

Slide 24

Mojave Shut-down - In light of recent quotations of SCE's officers in the LA Times that Mohave will be permanently retired, it would be more

appropriate to treat Mohave on-line as a sensitivity rather than in the base case.

Slide 34

CFE Light Considerations - Alternative 3 is a new line from the TDM/InterGen generators to the CFE system. Such an interconnection would have the effect of causing the generators to become a part of the CFE control area, taking them out of the ISO control area. This would necessitate the termination of the PGA's and require the purchase of the existing lines between TDM/InterGen generators and the Imperial Valley substation. If these issues have not been discussed and agreed to by the generators, which we believe is the case, is it reasonable to study this alternative? If the ISO is going to study such an alternative, it should be discussed with the plant owners in order to arrive at a model representation that might be acceptable to the generator owners. We assume this alternative includes reinforcement of the existing 230 KV lines between ROA and Tijuana, between Tijuana and Miguel and north of Miguel. Has the ISO investigated the impacts or feasibility of investing in new transmission lines in another country, and will it end up paying twice for the use of the lines, first through initial construction costs and second through a wheeling charge? Has the ISO investigated whether it would have scheduling priority if during a peak period, both the ISO and CFE needed the energy and CFE chose to not fulfill the export schedule to maintain reliability on its system?

Thank you.

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