



California ISO
Your Link to Power

Update On Activities Related to Organizing a California Subregional Planning Group

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STEP Meeting

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San Deigo, CA



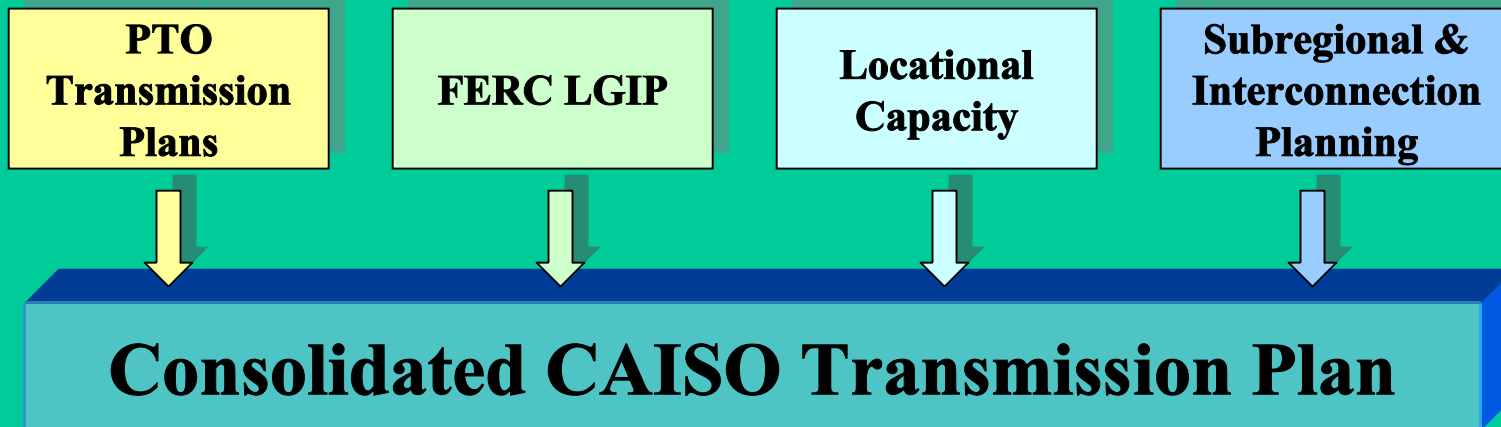
New Transmission Planning Process ***CAISO Objectives***

- **Clarify the CAISO's role and build on our core strengths of reliability, planning, and system operation**
- **Align our focus and core strengths with those of the CEC and CPUC towards a common objective of a coordinated planning process**
- **Focus on proactively supporting and building on CEC and CPUC objectives**
 - CEC IEPR recommendations
 - CPUC Resource Adequacy through leadership in Deliverability and Locational Capacity determinations
- **Rely on continued partnership with the PTOs in planning**
- **Forge consensus on a proactive role for the “non-CAISO” transmission owners in CAISO transmission plan**
- **Facilitate a statewide regional planning effort and develop a statewide strategic transmission plan**



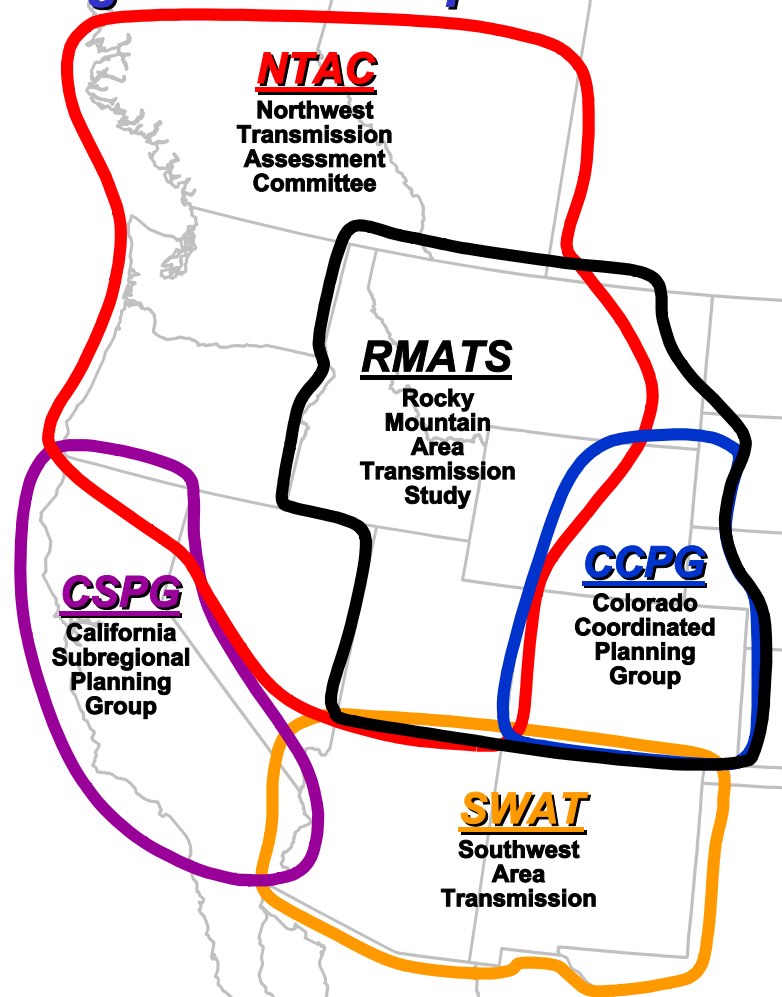
The CAISO's New Approach

Subregional Planning





Western Interconnection Sub-Regional Planning Groups *A Longer Term Perspective For California*





Approach CAISO Is Taking

- **Develop new planning process framework and seek consensus from the three major Participating Transmission Owners**
- **Strengthen core “strength” relationship with CPUC and CEC**
- **Champion forming a California Subregional Planning Group (CSPG) among all California stakeholders**
- **Support WECC Transmission Expansion Planning Policy Committee (TEPPC) and other subregional planning groups to form a robust WECC wide subregional planning organization**



Milestone Progress

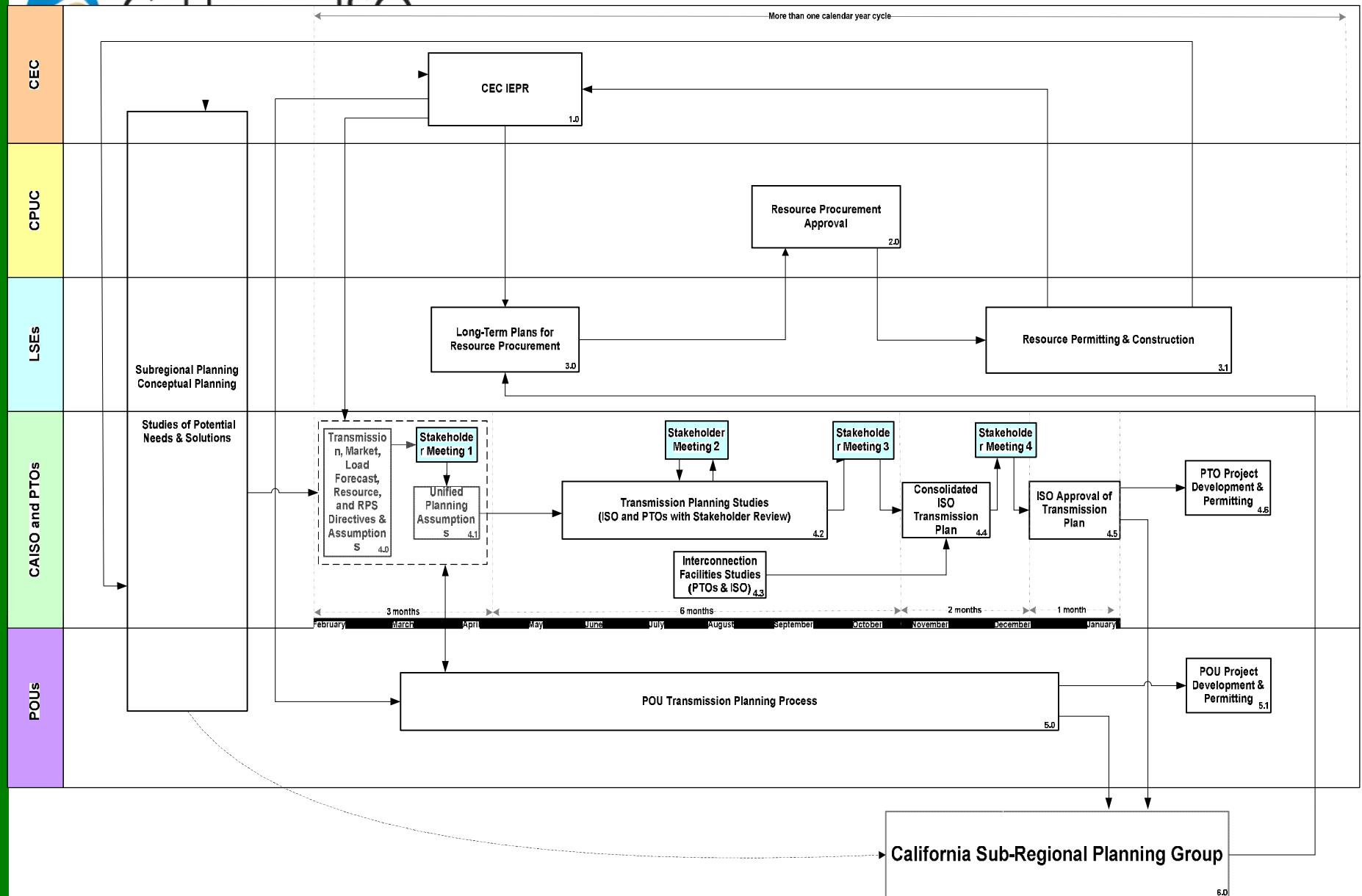
- **Develop new planning process framework and seek consensus from the three major Participating Transmission Owners**
 - Process developed & PTOs are transitioning to new process
 - CAISO & PTOs are focusing on “partnering” on transmission planning roles and responsibilities
- **Strengthen core “strength” relationship with CPUC and CEC**
 - CPUC has adopted “rebuttable presumption” for CAISO economic projects
 - CAISO supporting CPUC in Resource Adequacy activities (generation deliverability and locational capacity)
 - CAISO & CEC working to significantly “soften seams” between CAISO Transmission Plan and CEC Integrated Energy Policy Report



Milestone Progress

- **Champion forming a California Subregional Planning Group (CSPG) among all California stakeholders (wish list)**
 - Draft “strawman” principles for a subregional planning group
 - Reachout to key California entities (LADWP, PG&E, SCE, SDG&E, & SMUD) to discuss principles and framework for a CSPG
 - Have initial meeting before end of 2006
 - Expand to broader stakeholder interests in 1st quarter 2007
 - Achieve formal organization by end of 2007
- **Support WECC Transmission Expansion Planning Policy Committee (TEPPC) and other subregional planning groups to form a robust WECC wide subregional planning organization**
 - Active membership on TEPPC and TAS
 - Adopt TEPPC Principles on Subregional Planning
 - Seek a “formal” relationship with SWAT and other subregional planning groups as they form
 - Be more proactive in participating in “neighboring” subregional planning group efforts

DRAFT A Proposal For An Integrated Planning Process





Questions?