

# Comments of the California Wind Energy Association on CAISO Compliance Filing with FERC Order No. 890

December 3, 2007

The California Wind Energy Association (CalWEA) welcomes the opportunity to offer our third set of comments on CAISO's FERC Order 890 compliance filing.

## Effective Transmission Planning Process, Consistent with FERC Order 890

In our previous comments, we offered a rational approach for an open and non-discriminatory transmission planning process, as envisioned by the FERC Order 890. The main elements of the approach were:

- A. **Needs identification:** Allow all affected and interested parties, including PTOs, generation owners and developers, LSEs, neighboring TOs and sub-regional planning groups and the CAISO, to identify and present transmission needs and opportunities as part of an open season process: **First Open Season**. The goal of this process would be solely to focus on needs and opportunities, and **not projects or solutions**.<sup>1</sup> The CAISO would then work with all such parties to perform the necessary analyses to identify and prioritize transmission needs and opportunities.
- B. **Solutions to address confirmed needs/opportunities:** Allow all affected and interested parties, through a Second Open Season process, to propose solutions (including transmission projects) to address all the verified high-priority transmission needs and opportunities. The CAISO would then work with all such parties to screen and consider such solutions as part of a "Master Transmission Plan" that would be developed, through its open and non-discriminatory transmission planning process, to resolve the needs and capture the opportunities identified through the First Open Season process.
- C. **Master Plan development & implementation:** CAISO would use agreed-upon criteria to select the least-cost/best-fit Transmission Master Plan. The PTOs would have the opportunity to construct the transmission projects selected in their service territories, consistent with their right of first refusal. Other eligible transmission developers could offer to build ISO-selected projects that the PTOs decline.

We are concerned that the CAISO's current draft Order 890 filing does not incorporate crucial elements of our August 10, 2007 comments, especially those contained in Item A above. Specifically, before the

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<sup>1</sup> Some local solutions for solving local reliability concerns may be presented at this stage.

ISO jumps to transmission projects and other solutions, it should first carefully consider: (1) which needs and opportunities those solutions should address; and (2) their relative priority. This will help ensure that the eventual transmission plan is focused on legitimate, high-priority needs and optimal solutions.

### **FERC Order Transmission Planning Process and LGIP Reform Needs**

Many stakeholders, including CalWEA, have been working with the CAISO to develop one or more workable solutions for the severe problems that the CAISO faces today with the generation interconnection queue due to CAISO's "broken" Large Generator Interconnection Process (LGIP). CalWEA proposes reforming the LGIP process to tie it tightly to the larger Transmission Planning Process, as envisioned by the FERC Order 890 Proceedings, namely:

- The current large interconnection queue backlog must be cleared, and projects that are not commercially viable must be “weeded out.”
- The LGIP process should then be heavily streamlined, to focus on determining rational transmission cost responsibilities for interconnecting projects based on their selected level of deliverability, as opposed to planning for actual transmission development, which should occur in the larger Transmission Planning Process.
- Deliverability for interconnecting projects completing the LGIP process and signing Interconnection Agreements should be included as needs in the first open season referenced in Item A above.
- The Master Transmission Plan envisioned in Item B above would include the actual network and other transmission upgrades to address the interconnection needs of all generation projects with signed IAs; those upgrades will be determined considering those needs, as well as all other high-priority transmission-system reliability and economic needs and opportunities identified in Item A.

We strongly encourage the CAISO to develop and include in its FERC Order 890 filings specific tariff language to reflect LGIP reform of this nature. Beyond that, we urge the CAISO to involve stakeholders in the LGIP reform process and to prepare specific LGIP tariff and business process changes.