

March 2, 2010

**Comments of the Transmission Agency of Northern California
On the Draft 2010 California ISO Transmission Plan**

The Transmission Agency of Northern California (“TANC”) appreciates the opportunity to comment on the California Independent System Operator’s (“ISO”) Draft 2010 California ISO Transmission Plan (“Draft 2010 Transmission Plan”)¹ referenced above.

Avoiding Impacts to the COI Related to the 1-2 % Overload on Round Mountain-Table Mountain #2 500 kV Line:

Among other things, the Draft 2010 Transmission Plan offers recommended solutions for facilities that may not meet thermal and voltage performance requirements. *See* Draft 2010 Transmission Plan at 29. The Draft 2010 Transmission Plan lists the Round Mountain – Table Mountain #2 500 kV line as being overloaded by 1% and 2%, as measured in loading percentage in 2014 and 2019, respectively. *Id.* at 26, 29. This overloading is expected to occur sometime in 2011. *Id.* at 26. The Draft 2010 Transmission Plan explains that the overloading on the Round Mountain – Table Mountain #2 500 kV line is caused by an interconnection related to new generation development (*i.e.*, Hatchet Ridge) on the Round Mountain 230 kV system in approximately 2011. *Id.* at 29. In the Draft 2010 Transmission Plan, the ISO proposes to mitigate this overload through the use of congestion management, including reducing transfer flows on the California Oregon Intertie (“COI”) to “stay within the existing COI Nomogram limitation.” *Id.* The COI refers to, collectively, portions of three 500 kV transmission lines in northern California, one of which TANC is the majority owner.

TANC is concerned that the ISO’s proposed solution to the projected overload of the Round Mountain – Table Mountain #2 500 kV line will unfairly interfere with, and

¹ “Draft 2010 California ISO Transmission Plan,” (February, 2010); *available at*: <http://www.caiso.com/2738/2738128a83260.pdf> .

potentially adversely affect, the operation of the COI. The ISO proposes to reduce COI flows to mitigate the overloading problem, but such a proposal runs counter to the legally-binding contractual arrangements that have been in place for years relating to the operation of the COI. Specifically, the Owners' Coordinated Operation Agreement ("Amended OCOA") and the California-Oregon Intertie Path Operating Agreement ("COI Path Operating Agreement") provide for the coordinated operation of the COI lines. The Amended OCOA is a contract among the owners of the lines comprising the COI, and the COI Path Operating Agreement is a contract between the ISO and the owners of those lines. These two contracts preclude the ISO's proposal found in the Draft 2010 Transmission Plan to reduce transfer flows over the COI. As discussed further below, rather than the ISO's use of congestion management mechanisms, including reducing transfer over the COI, TANC supports the use of Special Protection Schemes to ramp down Hatchet Ridge generation to solve the overloading problem on the Round Mountain – Table Mountain #2 500 kV line, which would be consistent with section 12 of the Amended OCOA.

The Amended OCOA and the COI Path Operating Agreement must be honored when addressing any proposed solution in the Draft 2010 Transmission Plan that has a potential to impact COI rating and transfers, such as the overloading problem on the Round Mountain – Table Mountain #2 500 kV line. The ISO's proposed solution in the Draft 2010 Transmission Plan is not consistent with these agreements, which generally charge the ISO with maximizing transfer of the COI, rather than reducing it. Specifically, with regard to the COI Path Operating Agreement, the ISO is required to allocate transfer capability such that the allocated capacity represents the total allocated transfer capability available. *See* COI Path Operating Agreement at § 8.3.3. The ISO is similarly obligated to maximize transfer capability over the COI. *Id.* at § 8.3.12. Furthermore, the ISO is contractually bound to perform its functions for the COI "for the benefit of all Owners ... independently of, and without any preference or discrimination in relation to, any status, obligation or right of the [ISO]." COI Path Operating Agreement at § 8.3.17. The most central provision of the COI Path Operating Agreement as it applies to the Draft 2010 Transmission Plan is section 8.3.19, which provides in relevant part that the ISO shall

“prohibit the application to the Parties of any requirement, rule, obligation, rate or charge in a tariff, rate schedule or other document issued or revised by [the ISO] without the written consent of the [Owners’] Administrative Committee.” The ISO cannot unilaterally modify the COI Path Operating Agreement to alter these obligations. COI Path Operating Agreement at § 8.3.21. Thus, unless and until the ISO seeks and obtains the consent of the Owners’ Administrative Committee, the COI Path Operating Agreement bars the Draft 2010 Transmission Plan’s solution for avoiding impacts to the COI from overloading the Round Mountain – Table Mountain #2 500 kV line.

The provisions of the Amended OCOA similarly restrict the ISO’s ability to unilaterally decide to reduce transfer flows over the COI. For example, the parties to the Amended OCOA are charged to make all reasonable efforts to maximize scheduling capability for the COI. Amended OCOA at § 8.1.6.11. With regard to the rating and re-rating of the COI lines, the parties to the Amended OCOA are responsible for such ratings, not the ISO. *See* Amended OCOA at § 9. Finally, with regard to allocation of available transmission capacity and the need for curtailments, the Amended OCOA explains that any curtailment or other reduction in transfer may be performed by the ISO as Path Operator for safety or other considerations, but the ISO must promptly seek the express approval of the owners of the COI to continue such a reduction. *See, e.g.*, Amended OCOA at §§ 11.1.2.1 and 11.1.2.2.

Rather than relying on a reduction in COI transfers, as proposed in the Draft 2010 Transmission Plan, TANC supports the use of Special Protection Schemes (“SPS”) or Remedial Action Scheme (“RAS”) to ramp down Hatchet Ridge generation to avoid impacts to the COI. The Draft 2010 Transmission Plan itself offers SPS or RAS alternatives for other anticipated overloads. *See* Draft 2010 Transmission Plan at 18-20. For example, various Hatchet Ridge 230 kV lines are identified as overloaded as a result of the interconnection of the new Hatchet Ridge generation in 2010. *Id.* at 29-30. A solution identified in the Draft 2010 Transmission Plan for this overload is a Special Protection Scheme. *Id.* at 30. TANC supports a similar SPS or RAS as a solution to the Round Mountain – Table Mountain #2 kV line overload.