Transmission Planning Process Competitive Solicitation

Identifying potential enhancements

Stakeholder Meeting
March 6, 2014
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00-9:15</td>
<td>Purpose/scope of meeting</td>
<td>Steve Rutty</td>
</tr>
<tr>
<td>9:15-9:45</td>
<td>Tariff provisions governing competitive solicitation</td>
<td>Judi Sanders</td>
</tr>
<tr>
<td>9:45-10:30</td>
<td>Project sponsor application improvements</td>
<td>Lou Fonte</td>
</tr>
<tr>
<td>10:30-10:45</td>
<td>Approved Project Sponsor Agreement</td>
<td>Debi Le Vine</td>
</tr>
<tr>
<td>10:45-11:45</td>
<td>Other potential enhancements</td>
<td>Tom Flynn</td>
</tr>
<tr>
<td>11:45-12:00</td>
<td>Wrap Up / Next Steps</td>
<td>Tom Flynn</td>
</tr>
</tbody>
</table>
Purpose/Scope of Today’s Meeting

• Discuss “lessons learned” from the 2012-2013 transmission planning process (“TPP”) competitive solicitation

• Identify potential enhancements to improve the efficiency and effectiveness of the competitive solicitation process

• Two categories of enhancements
  – Those that could be applied to the 2013-2014 TPP competitive solicitation
  – Those that may have policy implications and require a more comprehensive stakeholder process
ISO Tariff Provisions Governing Competitive Solicitation

• The competitive solicitation process was approved in 2010 as part of the ISO’s revised transmission planning process (RTPP)
  – Tariff language approved in RTPP applied through the 2012-2013 TPP competitive solicitation

• On October 10, 2012, the ISO filed tariff amendments to comply with regional requirements of Order No.1000
  – FERC’s April 18, 2013, Order accepted the ISO’s filing, effective October 1, 2013, subject to a subsequent compliance filing submitted on August 20, 2013
  – Revised tariff language will apply to 2013-2014 TPP competitive solicitation
ISO Tariff Provisions Governing Competitive Solicitation

- Tariff Section 24.5 applies to the competitive solicitation process
- The Order No. 1000 revisions to Section 24.5 include several process changes:
  - Key selection criteria posted 30 days after draft transmission plan posted
  - Application information requirements set forth in Section 24.5.2.1
  - Following cure period, ISO will post list of project sponsors with information-sufficient applications; collaboration period will be provided upon request
ISO Tariff Provisions Governing Competitive Solicitation

• Process revisions, cont’d.
  – After collaboration period, ISO will determine project sponsor and project proposal qualification consistent with the criteria in Sections 24.5.3.1 and 24.5.3.2
    ✓ Revised tariff contains additional clarifying qualification criteria
  – Second cure period provided for project sponsors and/or proposals found to be not qualified; list will be re-posted if deficiencies are cured
  – If multiple qualified project sponsors, ISO will conduct comparative analysis using selection criteria in Section 24.5.4
    ✓ Revised tariff adds clarifying language to existing selection criteria
ISO Tariff Provisions Governing Competitive Solicitation

• Other tariff/BPM changes:
  – The ISO will select the project sponsor when there are multiple project sponsors, even if all project sponsors will seek siting authority from the same siting agency
  – Tariff language requiring the approved project sponsor to initiate siting authority within 120 days has been modified; approved project sponsors must enter into approved project sponsor agreement within 120 days.
    ✓ This tariff revision is pending as part of the competitive transmission improvements filing made on January 30, 2014
  – The ISO recently revised BPM language that clarifies the ISO will “stagger” the bid solicitation window closing dates so that the ISO will be able to evaluate proposals in tranches
    ✓ Addresses ISO resource concerns for large numbers of projects subject to competitive solicitation
Project Sponsor Application

• All project sponsors must submit a Project Sponsor application form as set forth in the BPM and posted on the ISO website

• The current version on the ISO website is the form used for the 2012-2013 TPP competitive solicitation

• The ISO is proposing to revise the application prior to the 2013-2014 TPP competitive solicitation opening in April 2014
Project Sponsor Application – proposed changes

• First – Align the application with the new tariff (Section 24.5)
• Second – SIMPLIFY the application
• Third – Add new Finance and Construction sections
• Fourth – Include statement by an officer that the information presented is true and correct
Approved Project Sponsor Agreement (APSA)

- Acknowledges acceptance of the selection of the approved project sponsor
- Establishes the obligations, roles and responsibilities of the project sponsor including project milestones
- Reflects any binding cost control measures, including binding cost caps that the approved project sponsor agreed to in their application
• An APSA has been negotiated with IID for the Imperial Valley area policy driven element and will be filed shortly.

• An APSA with PG&E/Mid-American/Citizens for the Gates-Gregg 230 kV line element has been tendered.

• ISO will work with stakeholders to develop a pro forma APSA for the 2013-2014 TPP competitive solicitation.

• ISO will post the APSA and invite stakeholders to submit proposed redline changes by March 28 to TransmissionCompetitiveSolicitation@CAISO.com.

  ➢ Please put “APSA Redline Proposal” in the subject line.
Other potential process enhancements

• Potential process enhancements raised during the 2013 competitive transmission improvements initiative
  – Collaboration period (PG&E suggested elimination of the project sponsor collaboration period)
  – 120-day issue has been addressed
• ISO invites stakeholders to offer other potential process enhancements
  – ISO will consider these through a comprehensive stakeholder process
Next steps

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 13</td>
<td>Stakeholder comments due</td>
</tr>
</tbody>
</table>

Submit comments to [TransmissionCompetitiveSolicitation@CAISO.com](mailto:TransmissionCompetitiveSolicitation@CAISO.com)

no later than 5pm on Thursday, March 13.