

GridLiance Comments on the Draft 2017-2018 Transmission Plan

GridLiance West Transco LLC (GWT) appreciates the opportunity to comment on the California ISO's Draft 2017-2018 Transmission Plan (Draft Plan). GWT supports inclusion of the S-Line Upgrade into the Draft Plan as an economically-driven transmission solution. However, GWT requests clarification on the process for selecting the PTO to develop this project.

GWT is concerned that the ISO is presuming that an incumbent PTO has the right to develop upgrades to existing facilities owned by a non-PTO transmission provider. At page 251 of its Draft Plan, the ISO states that, "[a]s the project consists of upgrades to both IID's existing transmission line and the SDG&E-owned Imperial Valley substation, it is anticipated that SDG&E would fund the IID upgrades and retain the rights to the incremental transmission capacity." GWT does not question SDG&E's right to develop, construct and own the upgrades to its own Imperial Valley substation. But GWT is concerned that the ISO is taking the position that the ISO has the right to choose the entity that undertakes the upgrades to the IID-owned portions of the project.

This issue is not limited to the 2017-2018 Draft Plan. There are a number of large transmission owners whose facilities are interconnected to the ISO, but who are neither members of the ISO nor PTOs. An incumbent transmission provider should retain the rights to control the upgrades to its own existing facilities and on its own existing rights-of-way. FERC's Order No. 1000 provides ample support for this conclusion.¹ The ISO Tariff recognizes the rights of PTOs' to construct and own upgrades, improvements, additions, or replacements of a part of the PTOs' existing facilities.² Logic and policy dictate that the inverse should also be true—that non-PTOs have the right to construct and own upgrades to their own existing facilities. The Tariff creates an obligation for a PTO to construct regional transmission solutions, in the absence of the ISO selecting an Approved Project Sponsor, if one end of the solution terminates in that PTO's service territory.³ However, nothing in the Tariff suggests that a PTO's right to build upgrades to its own facilities or its backstop obligation to construct new facilities can usurp a non-PTO transmission provider's rights to its own existing facilities and rights-of-way.

Failing to recognize the rights of non-PTOs to control their own facilities would result in unacceptable precedent. For example, it seems unlikely that Nevada Power, with respect to an upgrade required to solve an issue in the GWT territory, or any other non-PTO transmission provider, such as LADWP or SMUD, would cede rights to the interconnecting PTO to upgrade the non-PTO's facilities. GWT respectfully submits that the ISO should clarify that its Tariff and rules do not grant an incumbent PTO the right to construct upgrades to a non-PTO's existing facilities.

¹ See, e.g., Order No. 1000, 136 FERC ¶ 61,051 at P 319 ("[A]n incumbent transmission provider would be permitted to maintain a federal right of first refusal for upgrades to its own transmission facilities.").

² See, e.g., Tariff § 24.5.1 ("If the transmission solution adopted in Phase 2 involves an upgrade or improvement to, addition on, or a replacement of a part of an existing Participating TO facility, the Participating TO will construct and own such upgrade, improvement, addition or replacement facilities unless a Project Sponsor and the Participating TO agree to a different arrangement.").

³ See Tariff § 24.6 ("A Participating TO in whose PTO Service Territory or footprint either terminus of the transmission solution is located shall be obligated to construct all regional transmission solutions included in the comprehensive Transmission Plan for which there is no Approved Project Sponsor either from the first competitive solicitation or future competitive solicitations.").