BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| Order Instituting Investigation to Facilitate |) | |
|-----------------------------------------------|---|-------------|
| Proactive Development of Transmission |) | I.05-09-005 |
| Infrastructure to Access Renewable Energy |) | |
| Resources for California |) | |
| |) | |

COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION IN RESPONSE TO THE ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

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Attorneys for the California Independent System Operator

Dated: January 25, 2006

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Pursuant to the December 21, 2005, Assigned Commissioner's Scoping Memo and Ruling ("Scoping Memo") in the above-referenced proceeding, the California Independent System Operator Corporation ("CAISO") respectfully responds to Commissioner Grueneich's request that the CAISO provide:

- 1. "a listing of those transmission upgrades that are capable of fostering the development of renewable resources without requiring large-scale transmission construction projects that trigger siting permits." (Scoping Memo at 11)
- 2. a status report for "signed RPS contracts." (Scoping Memo at 14.)

I. Potential Transmission Upgrades

The ability to identify transmission upgrades, whether large-scale or not, that promote the development of renewable resources requires an understanding of where such potential resources may viably locate and analyses of the existing transmission system. For any specific generation project, transmission interconnection facilities are identified through the generator interconnection study queue process and the necessary upgrades to meet reliability standards and

criteria are dependent on the specific location, size of the project, and other higher queued projects. As such, a technical analysis must be performed to identify what upgrades are needed and where to promote or increase access to renewable resources specifically. However, any transmission upgrade that eliminates or mitigates a transmission constraint into a load pocket will provide increased access to resources, including renewables.

In its 2005 Transmission Expansion Plan, Pacific Gas and Electric Company ("PG&E") has identified the following transmission upgrades to existing facilities that do not appear to require Commission siting approval, pursuant to General Order 131-D, as facilitating access to renewable resources:

- Vaca-Dixon-Contra Costa 230 kV Reinforcement
- Cottonwood Vaca-Dixon 230 kV Capacity Increase
- Vaca-Dixon-Sobrante-Moraga 230 kV Reinforcement
- Table Mountain Vaca-Dixon 230 kV Reinforcement

It is the CAISO's understanding that these projects are proposed by PG&E to relieve constraints that impact the deliverability of renewable resources from several renewable "clusters" identified in PG&E's 2005 Transmission Ranking Cost Report as well as to provide general network reliability benefits. The CAISO's evaluation of these projects is pending and therefore the CAISO does not currently express an opinion regarding whether such projects satisfy the requirements for approval under the CAISO Tariff.

II. RPS Project Status Report

The Scoping Memo is ambiguous as to what the CAISO was to file with respect to the "permitting status of the projects for which RPS contracts have been executed." (Scoping Memo at 10.) The CAISO's management of its interconnection queue does not incorporate the

applicant's commercial arrangements. However, to facilitate the Commission's assessment of potential RPS projects, the CAISO provides the following link to its public interconnection queue information: http://www.caiso.com/14e9/14e9ddda1ebf0.pdf

January 25, 2006

Respectfully Submitted:

Grant A. Rosenblum

Attorney for

California Independent System Operator

CERTIFICATE OF SERVICE

I hereby certify that I have served, by electronic mail and U.S mail, Comments of the California Independent System Operator Corporation in Response to the Assigned Commissioner's Scoping Memo and Ruling in Docket No. I.05-09-005.

Executed on January 25, 2006, at Folsom, California.

Grant Rosenblum

An Employee of the California Independent

System Operator Corporation