



# ORA

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## THE OFFICE OF RATEPAYER ADVOCATES' COMMENTS ON THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION'S (CAISO) MAY 18, 2017 STRAW PROPOSAL REMOVING THE REQUIREMENT TO DEVELOP AN ANNUAL COMPREHENSIVE STATEWIDE PLAN FROM THE CALIFORNIA ISO TARIFF

June 8, 2017

The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC), with a statutory mandate to obtain the lowest possible rates for utility services consistent with reliable and safe service levels, and the state's environmental goals. The following are ORA's comments and recommendations on the California Independent System Operator Corporation's (CAISO) proposal to remove, from its tariff, the requirement to develop an annual comprehensive statewide plan as part of the CAISO's annual transmission planning process (TPP).

### BACKGROUND

The Federal Energy Regulatory Commission (FERC) requires transmission owners who are members of Independent System Operators or Regional Transmission Operators to engage in an open and transparent transmission planning process at both the local<sup>1</sup>, regional<sup>2</sup> and interregional<sup>3</sup> levels. FERC Order No. 890 also requires that transmission customers and stakeholders have the opportunity to participate in transmission owners' transmission local planning processes and to weigh in on local planning issues embedded within their service areas.<sup>4</sup> To this end, the CAISO has facilitated the coordination of a conceptual statewide transmission plan (CSTP) as a regional plan, and as part of the CAISO's TPP. The CTSP identifies potential transmission solutions needed to meet state and federal policy requirements within California. The CSTP was originally prepared by the California Transmission Planning Group (CTPG), consisting of the Imperial Irrigation District, Los Angeles Department of Water and Power, Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Public Power Authority, San Diego Gas & Electric Company (SDG&E) and Sacramento Municipal Utility District.

According to the CAISO, implementation of FERC Order No. 1000, which outlined regional and interregional planning requirements, has resulted in duplicative regional planning coordination requirements in California. FERC Order No. 1000, issued after prior FERC orders concerning local and

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<sup>1</sup> FERC Order No. 889, April 24, 1996, Section 37.6, (b) 2 iii. System Planning Studies and FERC Order 890, Sections 418-420 pp. 240-242.

<sup>2</sup> FERC Order No. 890, February 16, 2007, Section 440, p.250-254.

<sup>3</sup> FERC Order No. 1000, July 21, 2011, Section 375, pp. 296.

<sup>4</sup> FERC Order No. 890, February 16, 2007, Section 440, pp. 250-254.

regional planning requirements, refined the existing regional planning requirements and mandated the establishment of planning regions to develop regional plans.<sup>5</sup> FERC Order No. 1000 identified the California planning regions as the CAISO and the WestConnect. The CAISO planning region members are PG&E, SCE and SDG&E. The remaining original CSTP members are now associated with the WestConnect planning region.

FERC Order No. 1000 also mandates that all public utility transmission providers comply with the following requirements through a regional and interregional transmission planning process:

(1) exchanging planning data and information; (2) determining if regional and interregional facilities could address transmission needs “more efficiency than separate local or regional facilities,” and (3) identifying and evaluating any proposed transmission facilities that would be located within two or more regions.<sup>6</sup>

Starting in 2014, CAISO incorporated the WestConnect’s regional plan into the CSTP. According to the CAISO, participation in the CSTP development process declined after 2014, and no entities other than the CAISO have contributed to the CSTP development in recent years.<sup>7</sup> All the original participants of the CSTP that are not part of the CAISO planning region now coordinate their regional transmission issues through the WestConnect planning process, rather than the CSTP.

## **ORA CONSIDERATIONS AND RECOMMENDATIONS**

The CAISO operates and plans the majority of California’s energy grid, and its potential projects will either support the majority of the future load in California and or meet the majority of the energy policy objectives for California. The CAISO correctly notes that even with the proposed elimination of the requirement to develop a CSTP, the CAISO must still adhere to “FERC approved processes for regional and interregional planning, in particular planning and coordination activities that are more formal, robust, and legally binding than the activities that the ISO undertook in conjunction with the CTPG.”<sup>8</sup> ORA agrees that the CSTP no longer serves its intended purpose. ORA recommends reevaluating the impact of the proposed tariff revision after the completion of the first interregional TPP cycle following the proposed tariff revision. The reevaluation should determine whether the revised process adequately addresses the CAISO’s controlled transmission system, including whether California-specific transmission needs and resources are adequately identified and incorporated into the interregional transmission planning process.

If you have any questions or comments, please contact Kanya Dorland at [Kanya.Dorland@cpuc.ca.gov](mailto:Kanya.Dorland@cpuc.ca.gov) or (415) 703-1374

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<sup>5</sup> FERC Order No. 1000, July 21, 2011, Section 345, pp. 273-276 & Sections 368-373, pp. 291-294

<sup>6</sup> FERC Order No. 1000, July 21, 2011, Section 151, pp.120-121 and Section 375, p. 296.

<sup>7</sup> Removing the Requirement to Develop an Annual Comprehensive Statewide Plan from the California ISO Tariff, Straw Proposal California ISO, May 18, 2017 (Straw Proposal), p. 4.

<sup>8</sup> Straw Proposal, p. 5.