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Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
24. Comprehensive Transmission Planning Process

24.1 Overview

The CAISO will develop a comprehensive Transmission Plan and approve transmission upgrades or additions using the Transmission Planning Process set forth in this Section 24. The CAISO will analyze the need for transmission upgrades and additions in accordance with the methodologies and criteria set forth in this Section 24, the Transmission Control Agreement, and the applicable Business Practice Manuals. The comprehensive Transmission Plan will identify transmission upgrade or addition projects associated with Approved Project Sponsors that are Merchant Transmission Facilities or are needed: (1) to maintain System Reliability; (2) to satisfy the requirements of a Location Constrained Resource Interconnection Facility; (3) to maintain the simultaneous feasibility of allocated Long-Term CRRs; and (4) as LGIP Network Upgrades identified pursuant to Section 24.4.6.5. The comprehensive Transmission Plan will identify transmission addition and upgrade elements with no approved Project Sponsors needed to (1) meet state and federal policy requirements and directives that are not inconsistent with the Federal Power Act, including renewable portfolio standards policies; and (2) reduce congestion costs, production supply costs, transmission losses, or other electric supply costs resulting from improved access to cost-effective resources. For purposes of this Section 24, the term “the year X/(X+1) planning cycle” will refer to the Transmission Planning Process initiated during year X to complete a comprehensive Transmission Plan in year X+1.

24.1.1 [NOT USED]

24.1.2 [NOT USED]

24.1.3 [NOT USED]

24.1.4 [NOT USED]

24.2 Nature of the Transmission Planning Process

The CAISO will develop the annual comprehensive Transmission Plan and approve transmission upgrades or additions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan and, in parallel, begin development of a conceptual statewide plan. In Phase 2, the CAISO will complete the

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission upgrades or additions elements in the comprehensive Transmission Plan. The Transmission Planning Process shall, at a minimum:

(a) Coordinate and consolidate in a single plan the transmission needs of the CAISO Balancing Authority Area for maintaining the reliability of the CAISO Controlled Grid in accordance with Applicable Reliability Criteria and CAISO Planning Standards, in a manner that promotes the economic efficiency of the CAISO Controlled Grid and considers federal and state environmental and other policies affecting the provision of Energy;

(b) Reflect a planning horizon covering a minimum of ten (10) years that considers previously approved transmission upgrades and additions, Demand Forecasts, Demand-side management, capacity forecasts relating to generation technology type, additions and retirements, and such other factors as the CAISO determines are relevant;

(c) Seek to avoid unnecessary duplication of facilities and ensure the simultaneous feasibility of the CAISO Transmission Plan and the transmission plans of interconnected Balancing Authority Areas, and coordinate with other Planning Regions and interconnected Balancing Authority Areas in accordance with, but not limited to, the Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language in Section 24.18;

(d) Identify existing and projected limitations of the CAISO Controlled Grid’s physical, economic or operational capability or performance and identify transmission upgrades and additions, including alternatives thereto, deemed needed to address the existing and projected limitations;

(e) Account for any effects on the CAISO Controlled Grid of the interconnection of Generating Units, including an assessment of the deliverability of such

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
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Generating Units in a manner consistent with CAISO interconnection procedures; and

(f) Provide an opportunity for Interregional Transmission Projects submitted to the CAISO as a Relevant Planning Region to be evaluated as potential solutions to CAISO regional transmission needs.

24.2.1 [NOT USED]
24.2.2 [NOT USED]
24.2.3 [NOT USED]
24.2.4 [NOT USED]

24.3 Transmission Planning Process Phase 1

Phase 1 consists of two (2) parallel processes: (1) the development of the Unified Planning Assumptions and Study Plan; and, (2) initiation of the development of the statewide conceptual transmission plan, as discussed in Section 24.4.4.

24.3.1 Inputs to the Unified Planning Assumptions and Study Plan

The CAISO will develop Unified Planning Assumptions and a Study Plan using information and data from the approved Transmission Plan developed in the previous planning cycle. The CAISO will consider the following in the development of the Unified Planning Assumptions and Study Plan:

(a) WECC base cases, as may be modified for the relevant planning horizon;

(b) Transmission upgrades and additions approved by the CAISO in past Transmission Planning Process cycles, including upgrades and additions which the CAISO has determined address transmission needs in comprehensive Transmission Plan developed in the previous planning cycle;

(c) Category 2 policy-driven transmission upgrades and additions from a prior planning cycle as described in Section 24.4.6.6;

(d) Location Constrained Resource Interconnection Facilities conditionally approved under Section 24.4.6.3;

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(e) Network Upgrades identified pursuant to Section 25, Appendix U, Appendix V, Appendix Y or Appendix Z relating to the CAISO’s Large Generator Interconnection Procedures and Appendices S and T relating to the CAISO’s Small Generator Interconnection Procedures that were not otherwise included in the comprehensive Transmission Plan from the previous annual cycle;

(f) Operational solutions validated by the CAISO in the Local Capacity Technical Study under Section 40.3.1;

(g) Policy requirements and directives, as appropriate, including programs initiated by state, federal, municipal and county regulatory agencies;

(h) Energy Resource Areas or similar resource areas identified by Local Regulatory Authorities;

(i) Demand response programs that are proposed for inclusion in the base case or assumptions for the comprehensive Transmission Plan;

(j) Generation and other non-transmission alternatives that are proposed for inclusion in long-term planning studies as alternatives to transmission additions or upgrades;

(k) Beginning with the 2011/2012 planning cycle, Economic Planning Study requests submitted in comments on the draft Unified Planning Assumptions and Study.

(l) Planned facilities in interconnected Balancing Authority Areas; and

(m) The most recent Annual Interregional Information provided by other Planning Regions.

24.3.2 Contents of the Unified Planning Assumptions and Study Plan

The Unified Planning Assumptions and Study Plan shall, at a minimum, provide:

(a) The planning data and assumptions to be used in the Transmission Planning Process cycle, including, but not limited to, those related to Demand Forecasts and distribution, potential generation capacity additions and retirements, and transmission system modifications;

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(b) A description of the computer models, methodology and other criteria used in each technical study performed in the Transmission Planning Process cycle;

(c) A list of each technical study to be performed in the Transmission Planning Process cycle and a summary of each technical study’s objective or purpose;

(d) A description of significant modifications to the planning data and assumptions as allowed by Section 24.3.1(a) and consistent with Section 24.3.2;

(e) The identification of any entities directed to perform a particular technical study or portions of a technical study;

(f) A proposed schedule for all stakeholder meetings to be held as part of the Transmission Planning Process cycle and the means for notification of any changes thereto, the location on the CAISO Website of information relating to the technical studies performed in the Transmission Planning Process cycle, and the name of a contact person at the CAISO for each technical study performed in the Transmission Planning Process cycle;

(g) To the maximum extent practicable, and where applicable, appropriate sensitivity analyses, including project or solution alternatives, to be performed as part of technical studies;

(h) Descriptions of the High Priority Economic Planning Studies as determined by the CAISO under section 24.3.5; and

(i) Identification of state or federal requirements or directives that the CAISO will utilize, pursuant to Section 24.4.6.6, to identify policy-driven transmission elements.

24.3.3 Stakeholder Input - Unified Planning Assumptions/Study Plan

(a) Beginning with the 2011/2012 planning cycle and in accordance with the schedule set forth in the Business Practice Manual, the CAISO will provide a comment period during which Market Participants, electric utility regulatory agencies and all other interested parties may submit the following proposals for
consideration in the development of the draft Unified Planning Assumptions and Study Plan:

(i) Demand response programs for inclusion in the base case or assumptions; and

(ii) Generation and other non-transmission alternatives, consistent with Section 24.3.2(a) proposed as alternatives to transmission additions or upgrades.

(b) Following review of relevant information, including stakeholder comments submitted pursuant to Section 24.3.3(a), the CAISO will prepare and post on the CAISO Website a draft of the Unified Planning Assumptions and Study Plan. The CAISO will issue a Market Notice announcing the availability of such draft, soliciting comments, and scheduling a public conference(s) as required by Section 24.3.3(c).

(c) No less than one (1) week subsequent to the posting of the draft Unified Planning Assumptions and Study Plan, the CAISO will conduct a minimum of one (1) public meeting open to Market Participants, electric utility regulatory agencies, and other interested parties to review, discuss, and recommend modifications to the draft Unified Planning Assumptions and Study Plan. Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice.

(d) Interested parties will be provided a minimum of two (2) weeks following the first public meeting to provide comments on the draft Unified Planning Assumptions and Study Plan. Such comments may include Economic Planning Study requests based on the comprehensive Transmission Plan from the prior cycle. All comments on the draft Unified Planning Assumptions and the Study Plan will be posted by the CAISO to the CAISO Website.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(e) Whether the Economic Planning Study is intended to encompass the upgrades necessary to integrate new generation resources or loads on an aggregated or regional basis.

24.3.4.2 Selection of High Priority Economic Planning Studies

In accordance with the schedule and procedures set forth in the Business Practice Manual, the CAISO will post to the CAISO Website the list of selected High Priority Economic Planning Studies to be included in the draft Unified Planning Assumptions and Study Plan. The CAISO may assess requests for Economic Planning Studies individually or in combination where such requests may have common or complementary effects on the CAISO Controlled Grid. As appropriate, the CAISO will perform requested High Priority Economic Planning Studies, up to five (5); however, the CAISO retains discretion to perform more than five (5) High Priority Economic Planning Studies should stakeholder requests or patterns of Congestion or anticipated Congestion so warrant. Market Participants may, consistent with Section 24.3.1 and 24.3.2, conduct Economic Planning Studies that have not been designated as High Priority Economic Planning Studies at their own expense and may submit such studies for consideration in the development of the comprehensive Transmission Plan.

24.3.5 [NOT USED]

24.4 Transmission Planning Process Phase 2

24.4.1 Conducting Technical Studies

(a) In accordance with the Unified Planning Assumptions and Study Plan and with the procedures and deadlines in the Business Practice Manual, the CAISO will perform, or direct the performance by third parties of, technical studies and other assessments necessary to develop the comprehensive Transmission Plan, including such technical studies and other assessments as are necessary in order to determine whether and how to include elements from the conceptual statewide transmission plan or other alternative elements identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the applicable Business Practice Manual, the CAISO
will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO’s technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning Assumptions and Study Plan are published, along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO.

(b) All technical studies, whether performed by the CAISO, the Participating TOs or other third parties under the direction of the CAISO, must utilize the Unified Planning Assumptions for the particular technical study to the maximum extent practical, and deviations from the Unified Planning Assumptions for the particular technical study must be documented in results of each technical study. The CAISO will measure the results of the studies against Applicable Reliability Criteria, the CAISO Planning Standards, and other criteria established by the Business Practice Manual. After consideration of the comments received on the preliminary results, the CAISO will complete, or direct the completion of, the technical studies and post the final study results on the CAISO Website.

(c) The CAISO technical study results will identify needs and proposed solutions to meet Applicable Reliability Criteria, CAISO planning standards, and other applicable planning standards. The CAISO and Participating TOs shall coordinate their respective transmission planning responsibilities required for compliance with the NERC Reliability Standards and for the purposes of developing the annual Transmission Plan according to the requirements and time schedules set forth in the Business Practice Manual.

24.4.2 Submission of Reliability Driven Projects

Pursuant to the schedule described in the Business Practice Manual and based on the technical study results, the CAISO, CEC, CPUC, and other interested parties may propose any transmission upgrades or additions deemed necessary to ensure System Reliability consistent with Applicable Reliability Criteria.
and CAISO Planning Standards through the Phase 2 Request Window. Participating TOs will submit such project proposals through the Phase 2 Request Window within thirty (30) days after the CAISO posts its preliminary technical study results. The substantive description of reliability driven projects is set forth in Section 24.4.6.2.

### 24.4.3 Phase 2 Request Window

(a) Following publication of the results of the technical studies, and in accordance with the schedule set forth in the Business Practice Manual, the CAISO will open a Request Window during Phase 2 for the submission of proposals for reliability-driven projects, Location Constrained Resource Interconnection Facility projects, demand response or generation proposed as alternatives to transmission additions or upgrades to meet reliability needs, proposals for Merchant Transmission Facility projects and projects needed to maintain the feasibility of long-term CRRs.

(b) All facilities proposed during the Request Window must use the forms and satisfy the information and technical requirements set forth in the Business Practice Manual. Proposed transmission solutions must be within or connect to the CAISO Balancing Authority Area or CAISO Controlled Grid. The CAISO will determine whether each of these proposed solutions will be considered in the development of the comprehensive Transmission Plan. In accordance with the schedule and procedures set forth in the Business Practice Manual, the CAISO will notify the party submitting the proposal of any deficiencies in the proposal and provide the party an opportunity to correct the deficiencies. A proposal can only be considered in the development of the comprehensive Transmission Plan if the CAISO determines that:

(i) the proposal satisfies the information requirements for the particular type of facility submitted as set forth in templates included in the Business Practice Manual; and

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
(ii) the proposal is not functionally duplicative of transmission upgrades or additions that have previously been approved by the CAISO.

(c) The duration of the Request Window will be set forth in the Business Practice Manual.

24.4.4 Comment Period of Conceptual Statewide Plan

Beginning in Phase 1, the CAISO will develop, or, in coordination with other regional or sub-regional transmission planning groups or entities, including interconnected Balancing Authority Areas, will participate in the development of a conceptual statewide transmission plan that, among other things, may identify potential transmission upgrade or addition elements needed to meet state and federal policy requirements and directives. The conceptual statewide transmission plan will be an input into the CAISO’s Transmission Planning Process. The CAISO will post the conceptual statewide transmission plan to the CAISO Website and will issue a Market Notice providing notice of the availability of such plan. In the month immediately following the publication of the conceptual statewide transmission plan, the CAISO will provide an opportunity for interested parties to submit comments and recommend modifications to the conceptual statewide transmission plan and alternative transmission elements, including potential interstate transmission lines and proposals for access to resources located in areas not identified in the conceptual statewide transmission plan, and non-transmission elements.

24.4.5 Determination of Needed Transmission Projects and Elements

To determine which projects and additional elements should be included in the comprehensive Transmission Plan, the CAISO will evaluate the conceptual transmission elements identified in the statewide conceptual transmission plan or other alternative elements identified by the CAISO during the Phase 2 studies, reliability project proposals, LCRIF projects proposals, project proposals required to maintain the feasibility of long term CRRs, proposed Network Upgrades pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential alternative transmission upgrade and addition elements and non-transmission or generation solutions proposed by interested parties. In determining which projects and additional elements should be included in the comprehensive Transmission Plan, the CAISO will not give undue

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.4.12; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](https://www.ferc.gov/dockets/case.cfm?case_id=ER13-1470-000).
weight or preference to the conceptual statewide plan or any other input in its planning process.

**24.4.6 Categories of Transmission Projects**

**24.4.6.1 Merchant Transmission Project Proposals**

The CAISO may include a transmission addition or upgrade in the comprehensive Transmission Plan if a Project Sponsor proposes a Merchant Transmission Facility and demonstrates to the CAISO the financial capability to pay the full cost of construction and operation of the Merchant Transmission Facility. The Merchant Transmission Facility must mitigate all operational concerns identified by the CAISO to the satisfaction of the CAISO, in consultation with the Participating TO(s) in whose PTO Service Territory the Merchant Transmission Facility will be located, and ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms. To ensure that the Project Sponsor is financially able to pay the construction and operating costs of the Merchant Transmission Facility, and where the Participating TO is not the Project Sponsor and is to construct the Merchant Transmission Facility under Section 24.4.1, the CAISO in cooperation with the Participating TO may require (1) a demonstration of creditworthiness (e.g., an appropriate credit rating), or (2) sufficient security in the form of an unconditional and irrevocable letter of credit or other similar security sufficient to meet its responsibilities and obligations for the full costs of the transmission addition or upgrade.

**24.4.6.2 Reliability Driven Projects**

The CAISO, in coordination with each Participating TO with a PTO Service Territory will, as part of the Transmission Planning Process and consistent with the procedures set forth in the Business Practice Manual, identify the need for any transmission additions or upgrades required to ensure System Reliability consistent with all Applicable Reliability Criteria and CAISO Planning Standards. In making this determination, the CAISO, in coordination with each Participating TO with a PTO Service Territory and other Market Participants, shall consider lower cost alternatives to the construction of transmission additions or upgrades, such as acceleration or expansion of existing projects, Demand-side management, Remedial Action Schemes, appropriate Generation, interruptible Loads, storage facilities or reactive support. The CAISO shall direct each Participating TO with a PTO Service Area, as a registered Transmission Planner with NERC, to perform the necessary studies, based on the Unified Planning

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
Assumptions and Study Plan and any applicable Interconnection Study, and in accordance with the Business Practice Manual, to determine the facilities needed to meet all Applicable Reliability Criteria and CAISO Planning Standards. The Participating TO with a PTO Service Area shall provide the CAISO and other Market Participants with all information relating to the studies performed under this Section, subject to any limitation provided in Section 20.2 or the applicable LGIP. The Participating TO with a PTO Service Territory in which the transmission upgrade or addition deemed needed under this Section 24 will have the responsibility to construct, own and finance, and maintain such transmission upgrade or addition. A reliability-driven upgrade or addition found to be needed pursuant to this section shall be subject to the provisions of Section 24.5 if such addition or upgrade also provides demonstrable economic or public policy benefits as described below. The CAISO will find that a needed reliability-driven transmission upgrade or addition also provides economic benefits if its economic benefits exceed ten (10) percent of its costs, consistent with the determination of costs and benefits for economically-driven projects under Section 24.4.6.7 and in accordance with the procedures set forth in the Business Practice Manual. The CAISO will assess whether a needed reliability-driven upgrade or addition also serves to meet state or federal policy requirements or directives as specified in the Study Plan for the current planning cycle, in accordance with the procedures and criteria set forth in Section 24.4.6.6 and the Business Practice Manual. If the CAISO finds that a needed reliability upgrade or addition also is needed under Section 24.4.6.6, or eliminates or partially fills the need for a policy-driven transmission element found to be needed under Section 24.4.6.6, such addition or upgrade shall be subject to the provisions of Section 24.5.

24.4.6.3  LCRIF Projects

24.4.6.3.1  Proposals for LCRIFs

The CAISO, CPUC, CEC, a Participating TO, or any other interested parties may propose a transmission addition as a Location Constrained Resource Interconnection Facility. A proposal shall include the following information, to the extent available:

(a) Information showing that the proposal meets the requirements of Section 24.4.6.3.2; and

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
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(b) A description of the proposed facility, including the following information:

1. Transmission studies demonstrating that the proposed facility satisfies Applicable Reliability Criteria and CAISO Planning Standards;

2. Identification of the most feasible and cost-effective alternative transmission additions, which may include network upgrades, that would accomplish the objective of the proposal;

3. A planning level cost estimate for the proposed facility and all proposed alternatives;

4. An assessment of the potential for the future connection of further transmission additions that would convert the proposed facility into a network transmission facility, including conceptual plans;

5. The estimated in-service date of the proposed facility; and

6. A conceptual plan for connecting potential LCRIGs, if known, to the proposed facility.

24.4.6.3.2 Criteria for Qualification as a LCRIF

(a) The CAISO shall conditionally approve a facility as a Location Constrained Resource Interconnection Facility if it determines that the facility is needed and all of the following requirements are met:

1. The facility is to be constructed for the primary purpose of connecting to the CAISO Controlled Grid two (2) or more Location Constrained Resource Interconnection Generators in an Energy Resource Area, and at least one of the Location Constrained Resource Interconnection Generators is to be owned by an entity(ies) that is not an Affiliate of the owner(s) of another Location Constrained Resource Interconnection Generator in that Energy Resource Area;

2. The facility will be a High Voltage Transmission Facility;

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(3) At the time of its in-service date, the facility will not be a network facility and would not be eligible for inclusion in a Participating TO’s TRR other than as an LCRIF; and

(4) The facility meets Applicable Reliability Criteria and CAISO Planning Standards.

(b) The proponent of a facility that has been determined by the CAISO to meet the requirements of Section 24.4.6.3.2(a) shall provide the CAISO with information concerning the requirements of this subsection not less than ninety (90) days prior to the planned commencement of construction, and the facility shall qualify as a Location Constrained Resource Interconnection Facility if the CAISO determines that both of the following requirements are met:

(1) The addition of the capital cost of the facility to the High Voltage TRR of a Participating TO will not cause the aggregate of the net investment of all LCRIFs (net of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6) included in the High Voltage TRRs of all Participating TOs to exceed fifteen (15) percent of the aggregate of the net investment of all Participating TOs in all High Voltage Transmission Facilities reflected in their High Voltage TRRs (net of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6) in effect at the time of the CAISO’s evaluation of the facility; and

(2) Existing or prospective owners of LCRIGs have demonstrated their interest in connecting LCRIGs to the facility consistent with the requirements of Section 24.4.6.3.4, which establishes the necessary demonstration of interest.

24.4.6.3.3 Responsibilities of Participating Transmission Owner

Each Participating TO shall report annually to the CAISO the amount of its net investment in LCRIFs (net changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6), and its net investment in High Voltage Transmission Facilities reflected in its High Voltage TRR (net of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6), to enable the CAISO to make the determination required under Section 24.4.6.3.2(b)(1).

24.4.6.3.4 Demonstration of Interest in a LCRIF

A proponent of an LCRIF must demonstrate interest in the LCRIF equal to sixty (60) percent or more of the capacity of the facility in the following manner:

(a) The proponent’s demonstration must include a showing that LCRIGs that would connect to the facility and would have a combined capacity equal to at least twenty-five (25) percent of the capacity of the facility have executed Large Generator Interconnection Agreements or Small Generator Interconnection Agreements, as applicable; and

(b) To the extent the showing pursuant to Section 24.4.6.3.4(a) does not constitute sixty (60) percent of the capacity of the LCRIF, the proponent’s demonstration of the remainder of the required minimum level of interest must include a showing that additional LCRIGs:

1) In the case of Large Generating Facilities subject to the LGIP set forth in Appendix Y, have obtained Site Exclusivity or paid the Site Exclusivity Deposit in lieu of Site Exclusivity, provided that any Site Exclusivity Deposit paid pursuant to Section 3.5 of the LGIP set forth in Appendix Y shall satisfy this requirement, or, in the case of Large Generating Facilities subject to the LGIP set forth in Appendix U and Small Generating Facilities, have obtained control over their site or paid a deposit to the CAISO in the amount of $250,000, which deposit shall be refundable if the LCRIF is not approved or is withdrawn by the proponent; and
have demonstrated interest in the LCRIF by one of the following methods:

(i) executing a firm power sales agreement for the output of the LCRIG for a period of five (5) years or longer; or

(ii) in the case of Large Generating Facilities subject to the LGIP set forth in Appendix Y, filing an Interconnection Request and paying the Interconnection Study Deposit required by Section 3.5 of the LGIP set forth in Appendix Y; or

(iii) in the case of Large Generating Facilities subject to the LGIP set forth in Appendix U and Small Generating Facilities, being in the CAISO’s interconnection queue and paying a deposit to the CAISO equal to the sum of the minimum deposits required of an Interconnection Customer for all studies performed in accordance with the Large Generator Interconnection Procedures (Appendix U) or Small Generator Interconnection Procedures (Appendix S), as applicable to the LCRIG, less the amount of any deposits actually paid by the LCRIG for such studies. The deposit shall be credited toward such study costs. If the LCRIF is not approved or is withdrawn by the proponent, any deposit paid under this provision shall be refundable to the extent it exceeds costs incurred by the CAISO for such studies; or

(iv) paying a deposit to the CAISO equal to five (5) percent of the LCRIG’s pro rata share of the capital costs of a proposed LCRIF. The deposit shall be credited toward costs of Interconnection Studies performed in connection with the Large Generator Interconnection Procedures (Appendix U or Appendix Y, as
applicable) or Small Generator Interconnection Procedures (Appendix S), whichever is applicable. If the LCRIF is not approved or is withdrawn by the proponent, any deposit paid under this provision shall be refundable to the extent it exceeds the costs incurred by the CAISO for such studies.

### 24.4.6.3.5 Coordination With Non-Participating TOs

In the event that a facility proposed as an LCRIF would connect to LCRIGs in an Energy Resource Area that would also be connected by a transmission facility that is in existence or is proposed to be constructed by an entity that is not a Participating TO and that does not intend to place that facility under the Operational Control of the CAISO, the CAISO shall coordinate with the entity owning or proposing that transmission facility through any regional planning process to avoid the unnecessary construction of duplicative transmission additions to connect the same LCRIGs to the CAISO Controlled Grid.

### 24.4.6.3.6 Evaluation of LCRIFs

In evaluating whether a proposed LCRIF that meets the requirements of Section 24.4.6.3.2 is needed, and for purposes of ranking and prioritizing LCRIF projects, the CAISO will consider the following factors:

(a) Whether, and if so, the extent to which, the facility meets or exceeds applicable CAISO Planning Standards, including standards that are Applicable Reliability Criteria.

(b) Whether, and if so, the extent to which, the facility has the capability and flexibility both to interconnect potential LCRIGs in the Energy Resource Area and to be converted in the future to a network transmission facility.

(c) Whether the projected cost of the facility is reasonable in light of its projected benefits, in comparison to the costs and benefits of other alternatives for connecting Generating Units or otherwise meeting a need identified in the CAISO Transmission Planning Process, including alternatives that are not LCRIFs. In making this determination, the CAISO shall take into account, among other factors, the following:

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
(1) The potential capacity of LCRIGs and the potential Energy that could be produced by LCRIGs in each Energy Resource Area;

(2) The capacity of LCRIGs in the CAISO’s interconnection process for each Energy Resource Area;

(3) The projected cost and in-service date of the facility in comparison with other transmission facilities that could connect LCRIGs to the CAISO Controlled Grid;

(4) Whether, and if so, the extent to which, the facility would provide additional reliability or economic benefits to the CAISO Controlled Grid; and

(5) Whether, and if so, the extent to which, the facility would create a risk of stranded costs.

24.4.6.4 Projects to Maintain the Feasibility of Long Term CRRs

The CAISO is obligated to ensure the continuing feasibility of Long Term CRRs that are allocated by the CAISO over the length of their terms. In furtherance of this requirement the CAISO shall, as part of its annual Transmission Planning Process cycle, test and evaluate the simultaneous feasibility of allocated Long Term CRRs, including, but not limited to, when acting on the following types of projects: (a) planned or proposed transmission projects; (b) Generating Unit or transmission retirements; (c) Generating Unit interconnections; and (d) the interconnection of new Load. Pursuant to such evaluations, the CAISO shall identify the need for any transmission additions or upgrades required to ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms and shall publish Congestion Data Summary along with the results of the CAISO technical studies. In assessing the need for transmission additions or upgrades to maintain the feasibility of allocated Long Term CRRs, the CAISO, in coordination with the Participating TOs and other Market Participants, shall consider lower cost alternatives to the construction of transmission additions or upgrades, such as acceleration or expansion of existing projects; Demand-side management; Remedial Action Schemes; constrained-on Generation; interruptible Loads; reactive support; or in cases where the infeasible Long Term CRRs involve a small magnitude of...
megawatts, ensuring against the risk of any potential revenue shortfall using the CRR Balancing Account and uplift mechanism in Section 11.2.4. As part of the CAISO’s Transmission Planning Process, the Participating TOs and Market Participants shall provide the necessary assistance and information to the CAISO to allow it to assess and identify transmission additions or upgrades that may be necessary under Section 24.4.6.4. To the extent a transmission upgrade or addition is deemed needed to maintain the feasibility of allocated Long Term CRRs in accordance with this Section and included in the CAISO’s annual Transmission Plan, the CAISO will designate the Participating TO(s) with a PTO Service Territory in which the transmission upgrade or addition is to be located as the Project Sponsor(s), responsible to construct, own and finance, and maintain such transmission upgrade or addition. An upgrade or addition found to be needed pursuant to this section shall be subject to the provisions of Section 24.5 if such addition or upgrade also provides demonstrable economic or public policy benefits as described below. The CAISO will find that a transmission upgrade or addition needed to maintain the feasibility of allocated Long Term CRRs also provides economic benefits if its economic benefits exceed ten (10) percent of its costs, consistent with the determination of costs and benefits for economically-driven projects under Section 24.4.6.7 and in accordance with the procedures set forth in the Business Practice Manual. The CAISO will assess whether an upgrade or addition needed to maintain the feasibility of allocated Long Term CRRs also serves to meet state or federal policy requirements or directives as specified in the Study Plan for the current planning cycle, in accordance with the procedures and criteria set forth in Section 24.4.6.6 and the Business Practice Manual. If the CAISO finds that an upgrade or addition needed to maintain the feasibility of allocated Long Term CRRs also is needed under Section 24.4.6.6, or eliminates or partially fills the need for a policy-driven transmission element found to be needed under Section 24.4.6.6, such addition or upgrade shall be subject to the provisions of Section 24.5.

### 24.4.6.5 LGIP Network Upgrades

Beginning with the 2011/2012 planning cycle, Network Upgrades originally identified during the Phase II Interconnection Study or Interconnection Facilities Study Process of the Large Generation Interconnection Process as set forth in Section 7 of Appendix Y that are not already included in a signed

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
LGIA may be assessed as part of the comprehensive Transmission Plan if these Network Upgrades satisfy the following criteria:

(a) The Network Upgrades consist of new transmission lines 200 kV or above, and have capital costs of $100 million or greater;

(b) The Network Upgrade is a new 500 kV substation that has capital costs of $100 million or greater; or,

(c) The Network Upgrades have a capital cost of $200 million or more.

The CAISO will post a list of the Network Upgrades eligible for assessment in the Transmission Planning Process in accordance with the schedule set forth in the applicable Business Practice Manual. Network Upgrades included in the comprehensive Transmission Plan may include additional components not included in the Network Upgrades originally identified during the Phase II Interconnection Study or may be expansions of the Network Upgrades originally identified during the Phase II Interconnection Study if the CAISO determines during the Transmission Planning Process that such components or expansions are needed as additional elements under section 24.1. Network Upgrades identified in the LGIP Phase II studies but not assessed in the Transmission Planning Process will be included in Large Generator Interconnection Agreements, as appropriate. Network Upgrades assessed in the Transmission Planning Process but not modified or replaced will be included in Large Generator Interconnection Agreements, as appropriate. Construction and ownership of Network Upgrades specified in the comprehensive Transmission Plan under this section, including any needed additional components or expansions, will be the responsibility of the Participating TO if the Phase II studies identified the original upgrade as needed and such upgrade has not yet been set forth in an executed Large Generator Interconnection Agreement. To the extent that additional components or expansions to Network Upgrades remain the responsibility of the Participating TO and such Network Upgrades are subsequently abandoned, the Participating TO shall be presumed to be eligible, subject to prudency and any other applicable review by FERC, to include in its TRR the costs of such Network Upgrades if the costs attributable to the abandonment of such Network Upgrades (as modified, replaced or otherwise reconfigured in the Transmission Planning Process) exceed the amounts funded by Interconnection Customers pursuant to Appendix Y. This presumption
shall not apply in the case of Network Upgrades which the applicable Participating TO agreed to up-front fund independent of any obligation to fund pursuant to the Transmission Planning Process. If, through the Transmission Planning Process, the CAISO identifies any additional components or expansions of Network Upgrades that result in the need for other upgrades or additions, the responsibility to build and own such additions or upgrades will be determined by this Section 24, according to the category of those other upgrades or additions. Any decision in the Transmission Planning Process to modify Network Upgrades identified in the Large Generator Interconnection Process will not increase the cost responsibility of the Interconnection Customer as described in Appendix Y, Section 7. Category 1 policy-driven elements identified under Section 24.4.6.7 could supplant the need for LGIP Network Upgrades that would be developed in subsequent Generator Interconnection Process cycles. To the extent that a Category 1 policy-driven element eliminates or downsizes the need for a Network Upgrade, the Interconnection Customer’s cost responsibility for such Network Upgrade shall be eliminated or reduced. Any financial security posting shall be adjusted accordingly.

24.4.6.6 Policy-Driven Elements

Once the CAISO has identified projects needed to maintain reliability, LCRIF projects eligible for conditional or final approval, projects needed to maintain long-term CRR feasibility, qualified Merchant Transmission Facility projects, and needed LGIP Network Upgrades as described in Section 24.4.6.5, the CAISO may evaluate transmission upgrade and addition elements needed to meet state or federal policy requirements or directives as specified in the Study Plan pursuant to Section 24.3.2(i). Policy-driven transmission upgrade or addition elements will be either Category 1 or Category 2. Category 1 are those elements which under the criteria of this section are found to be needed elements and are recommended for approval as part of the comprehensive Transmission Plan in the current cycle. Category 2 are those elements that could be needed to achieve state or federal policy requirements or directives but have not been found to be needed in the current planning cycle based on the criteria set forth in this section. Elements identified in this section and not identified in Section 24.4.6.5 as the responsibility of the Participating TO to build will be open for Project Sponsor solicitation during Phase 3. The CAISO will determine the need for, and identify such policy-driven transmission upgrade or addition elements that

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
efficiently and effectively meet applicable policies under alternative resource location and integration assumptions and scenarios, while mitigating the risk of stranded investment. The CAISO will create a baseline scenario reflecting the assumptions about resource locations that are most likely to occur and one or more reasonable stress scenarios that will be compared to the baseline scenario. Any transmission upgrade or addition elements that are included in the baseline scenario and at least a significant percentage of the stress scenarios may be Category 1 elements. Transmission upgrades or additions that are included in the base case, but which are not included in any of the stress scenarios or are included in an insignificant percentage of the stress scenarios, generally will be Category 2 elements, unless the CAISO finds that sufficient analytic justification exists to designate them as Category 1. In such cases, the ISO will make public the analysis upon which it based its justification for designating such facilities as Category 1 rather than Category 2. In this process, the CAISO will consider the following criteria:

(a) commercial interest in the resources in the applicable geographic area (including renewable energy zones) accessed by potential transmission elements as evidenced by signed and approved power purchase agreements and interconnection agreements;

(b) the results and identified priorities of the California Public Utilities Commission’s or California Local Regulatory Authorities’ resource planning processes;

(c) the expected planning level cost of the transmission element as compared to the potential planning level costs of other alternative transmission elements;

(d) the potential capacity (MW) value and energy (MWh) value of resources in particular zones that will meet the policy requirements, as well as the cost supply function of the resources in such zones;

(e) the environmental evaluation, using best available public data, of the zones that the transmission is interconnecting as well as analysis of the environmental impacts of the transmission elements themselves; the extent to which the

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transmission element will be needed to meet Applicable Reliability Criteria or to provide additional reliability or economic benefits to the ISO grid;

(f) potential future connections to other resource areas and transmission elements;

(g) resource integration requirements and the costs associated with these requirements in particular resource areas designated pursuant to policy initiatives;

(h) the potential for a particular transmission element to provide access to resources needed for integration, such as pumped storage in the case of renewable resources;

(i) the effect of uncertainty associated with the above criteria, and any other considerations, that could affect the risk of stranded investment; and

(j) the effects of other additions or upgrades being considered for approval during the planning process.

24.4.6.7 Economic Studies and Mitigation Solutions

Once the CAISO has identified projects needed to maintain reliability, LCRIF projects eligible for conditional or final approval, qualified merchant transmission projects and policy driven elements, the CAISO will conduct the High Priority Economic Planning Studies selected under Section 24.4.4 and any other studies that the CAISO concludes are necessary to determine whether additional transmission upgrades and additions, or modifications to identified transmission projects or elements, are necessary to address:

(a) Congestion identified by the CAISO in the Congestion Data Summary published for the applicable Transmission Planning Process cycle and the magnitude, duration, and frequency of that Congestion;

(b) Local Capacity Area Resource requirements;

(c) Congestion projected to increase over the planning horizon used in the Transmission Planning Process and the magnitude of that Congestion; or

(d) Integration of new generation resources or loads on an aggregated or regional

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
In determining whether to additional elements are needed, the CAISO shall consider the degree to which, if any, the benefits of the solutions outweigh the costs, in accordance with the procedures set forth in the Business Practice Manual. The benefits of the mitigation solutions may include a calculation of any reduction in production costs, Congestion costs, Transmission Losses, capacity or other electric supply costs resulting from improved access to cost-efficient resources. The cost of the mitigation solution must consider any estimated costs identified under Section 24.4.6.4 to maintain the simultaneous feasibility of allocated Long Term CRRs for the length of their term. The CAISO, in determining whether a particular solution is needed, shall also consider the comparative costs and benefits of viable alternatives to the particular transmission element, including: (1) other potential transmission upgrades or additions, including those being considered or proposed during the Transmission Planning Process; (2) acceleration or expansion of any transmission upgrade or addition already approved by the CAISO Governing Board or included in any CAISO annual Transmission Plan, and (3) non-transmission alternatives, including demand-side management. Transmission upgrades and addition elements that are identified under this Section 24.4.6.7, other than reliability-driven projects, LCRIF projects eligible for conditional or final approval and qualified Merchant Transmission Facility projects, will be open for bid and Project Sponsor solicitation in Phase 3.

24.4.6.8 Projects Submitted in Prior Request Windows

During Phase 2 of the 2010/2011 Transmission Planning Cycle, the CAISO will evaluate the specific project proposals submitted during the 2008 and 2009 request windows. If any of these 2008 or 2009 request window proposals is found by the CAISO to be needed as a Category 1 policy-driven or economically-driven element, using the criteria for approval of transmission elements under sections 24.4.6.6 or 24.4.6.7, the project will be included in the comprehensive 2010/2011 Transmission Plan. Upon Board approval of the Transmission Plan, the Project Sponsor that submitted the proposal will be approved to finance, own and construct the approved additions and upgrades provided that Project Sponsor meets the criterion specified in Section 24.5.2.1(c). If a 2008 or 2009 request window proposal is found to be needed as a Category 2 policy-driven element in the 2010-2011 Transmission Planning Cycle.
Cycle, and that Category 2 policy-driven element is reclassified as a Category 1 policy-driven element in the 2011-2012 Transmission Planning Cycle, the Project Sponsor that submitted the proposal will be approved to finance, own and construct the element, provided that Project Sponsor meets the criterion specified in Section 24.5.2.1(c). If competing projects have been submitted by multiple Project Sponsors in the 2008 and 2009 request windows for the same elements in the 2010/2011 comprehensive Transmission Plan, the CAISO will approve one of those Project Sponsors to build and own the project based on the criteria specified in Section 24.5.2.3. To the extent that competing project proposals for the same policy-driven or economically-driven element were submitted in both the 2008 and 2009 request windows, the CAISO will give priority to the project proposals submitted in the 2008 request window.

24.4.7 Description of Transmission Elements

The transmission elements identified in the draft and final comprehensive Transmission Plan will provide sufficient engineering detail to permit Project Sponsors to submit complete proposals, under section 24.5.1 to build certain transmission elements. As further described in the Business Practice Manual, such details may include, but are not limited to:

(a) Minimum Conductor Ampacity;
(b) Approximate Line impedance required;
(c) Approximate Series compensation levels;
(d) Substation bus and breaker configuration;
(e) Breaker clearing times;
(f) Transformer characteristics (capacity, impedance, tap range);
(g) Minimum Shunt capacitor and reactor sizes;
(h) Minimum FACTS device specifications;
(i) SPS requirements;
(j) Planning level cost estimates;
(k) Projected in-service date.

24.4.8 Additional Contents of Comprehensive Transmission Plan

In addition to the detailed descriptions of specific needed transmission additions and upgrades, the draft

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
and final comprehensive Transmission Plan may include: (1) the results of technical studies performed under the Study Plan; (2) determinations and recommendations regarding the need for identified transmission upgrades and additions and their identification as either Local or Regional Transmission Facilities; (3) assessments of transmission upgrades and additions submitted as alternatives to the potential solutions to transmission needs identified by the CAISO and studied during the Transmission Planning Process cycle; (4) results of Economic Planning Studies (except for the 2010/2011 cycle); (5) an update on the status of transmission upgrades or additions previously approved by the CAISO, including identification of mitigation plans, if necessary, to address any potential delay in the anticipated completion of an approved transmission upgrade or addition; (6) a description of transmission additions and upgrades with an estimated capital investment of $50 million or more for which additional studies are required before being presented to the CAISO Governing Board for approval following completion of the studies; (7) a description of Category 2 transmission upgrades or additions recommended for consideration in future planning cycles; (8) identification of Interregional Transmission Projects that were submitted in the current planning cycle, could potentially meet regional needs, and will be evaluated in the next planning cycle; and (9) determinations and recommendations regarding the need for Interregional Transmission Projects that have been evaluated and found to be more cost effective and efficient solutions to regional transmission needs and that satisfy all requirements relevant to meeting such needs.

24.4.9 Phase 2 Stakeholder Process

(a) According to the schedule and procedures set forth in the Business Practice Manual, the CAISO will schedule one (1) public meeting after the CAISO technical study results have been posted and Participating TOs have submitted (i) the results of technical studies conducted at the direction of the CAISO (if applicable); and (ii) reliability-driven projects and mitigation solutions. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice. Interested parties will be provided a minimum two (2) week period to provide written comments regarding the technical study results and the proposals submitted by the Participating TOs.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(b) The CAISO will schedule at least one (1) other public meeting before the draft comprehensive Transmission Plan is posted to provide information about any policy-driven element evaluations or economic planning studies that have been completed since the prior public meeting was held, as well as updated information about any studies or evaluations that are still in progress. Notice of such meeting, web conference or teleconference will be provided to stakeholders via Market Notice.

(c) In accordance with the schedule and procedures in the Business Practice Manual, but not less than one-hundred and twenty (120) days after the results of the CAISO’s technical studies are posted and not less than six (6) weeks after the Request Window closes, the CAISO will post a draft comprehensive Transmission Plan. The CAISO will subsequently conduct a public conference regarding the draft comprehensive Transmission Plan and solicit comments, consistent with the timelines and procedures set forth in the Business Practice Manual. Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice and such notice shall be posted to the CAISO Website. After consideration of comments, the CAISO will post the revised draft comprehensive Transmission Plan to the CAISO Website.

24.4.10 Transmission Plan Approval Process

The revised draft comprehensive Transmission Plan, along with the stakeholder comments, will be presented to the CAISO Governing Board for consideration and approval. Upon approval of the plan, all needed transmission additions and upgrades, and Interregional Transmission Projects, net of all transmission and non-transmission alternatives considered in developing the comprehensive Transmission Plan, will be deemed approved by the CAISO Governing Board. Following Governing Board approval, the CAISO will post the final comprehensive Transmission Plan to the CAISO Website.

According to the schedule set forth in the Business Practice Manual, transmission upgrades and additions

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
with capital costs of $50 million or less can be approved by CAISO management and may proceed to
permitting and construction prior to Governing Board approval of the plan. Such CAISO management
approved transmission solutions may be subject to a competitive solicitation process, consistent with
Section 24.5, on an accelerated schedule that will allow the approved Project Sponsor to proceed to
permitting and construction prior to Governing Board approval of the plan. CAISO management may also
expedite approval of a transmission solution ahead of the approval schedule for other solutions with
capital costs of $50 million or less if: (1) there is an urgent need for approval of the solution ahead of the
schedule established in the Business Practice Manual; (2) there is a high degree of certainty that
approval of the upgrade or addition will not conflict with other solutions being considered in Phase 2; and
(3) the need to accelerate a solution is driven by the CAISO’s study process or by external
circumstances. Should the CAISO find that a transmission solution with capital of $50 million or less is
needed on an expedited basis, after a stakeholder consultation process, CAISO management shall brief
the Governing Board at a regularly-scheduled or special public session prior to approving the solution
and conducting the competitive solicitation, if appropriate. A Participating Transmission Owner will have
the responsibility to construct, own, finance and maintain any Local Transmission Facility deemed needed
under this section 24 that is located entirely within such Participating Transmission Owner’s PTO Service
Territory or footprint. The provisions of Section 24.5 will apply to a Regional Transmission Facility
deemed needed under this section 24. Section 24.5 will also apply to any transmission upgrades or
additions that are associated with both Regional Transmission Facilities and Local Transmission Facilities
but for which the CAISO determines that it is not reasonable to divide construction responsibility among
multiple Project Sponsors. Construction and ownership of a selected Interregional Transmission Project
shall be determined in accordance in Section 24.17.3.

24.5 Transmission Planning Process Phase 3

24.5.1 Project Submissions

According to the schedule set forth in the Business Practice Manual, in the month following CAISO
Governing Board approval of the comprehensive Transmission Plan, the CAISO will initiate a period of at
least two (2) months that will provide an opportunity for Project Sponsors to submit specific transmission
Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2;
24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3;
24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the
documents filed by the California ISO in this docket, click here.
project proposals to finance, own, and construct the transmission elements identified in the comprehensive Transmission Plan. For elements with capital costs of $50 million or less that were approved by CAISO management before Governing Board approval of the comprehensive Transmission Plan, the two month period will be initiated following management approval of the element, and the Project Sponsor selection process will follow an accelerated schedule described in the Business Practice Manual. Such project proposals must include plan of service details and supporting information as set forth in the Business Practice Manual sufficient to enable the CAISO to determine whether the proposal meets the criteria specified in section 24.5.2.1 and 24.5.2.4. The project proposal will identify the authorized governmental body from which the Project Sponsor will seek siting approval for the project.

24.5.2   Project Selection

At the end of the project submission period, the CAISO will post a list of proposed projects and Project Sponsors to its Website, subject to the confidentiality provisions set forth in Tariff section 20 and as further described in the Business Practice Manual, and will select projects and Approved Project Sponsors pursuant to this section 24.5.2. If the selected project involves an upgrade to or addition on an existing Participating TO facility, the construction or ownership of facilities on a Participating TO’s right-of-way, or the construction or ownership of facilities within an existing Participating TO substation, the Participating TO will construct and own such upgrade or addition facilities unless the Project Sponsor and the Participating TO agree to a different arrangement.

24.5.2.1   Project Sponsor Qualification

The CAISO will evaluate the proposals to finance, own and construct policy-driven transmission elements or transmission elements that are included in the comprehensive Transmission Plan based on the results of Economic Planning Studies or other economic studies conducted by the CAISO under section 24.4.6.7 to determine:

(a) whether the proposed project is consistent with needed transmission elements identified in the comprehensive Transmission Plan;

(b) whether the proposed project satisfies Applicable Reliability Criteria and CAISO Planning Standards; and

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(c) whether the Project Sponsor and its team are physically, technically, and financially capable of (i) completing the project in a timely and competent manner; and (ii) operating and maintaining the facilities consistent with Good Utility Practice and applicable reliability criteria for the life of the project.

On the CAISO’s request, the Project Sponsor will provide additional information that the CAISO reasonably determines is necessary to conduct its evaluation.

24.5.2.2 Single Project Sponsor

If only one Project Sponsor submits a proposal to finance, own, and construct transmission elements under section 24.5.1, and the CAISO determines that the Project Sponsor is qualified to own and construct the project under the criteria set forth in section 24.5.2.1, the Project Sponsor must seek siting approval, and any other necessary approvals, from the appropriate authority or authorities within one-hundred twenty (120) days of CAISO approval.

24.5.2.3 Multiple Project Sponsors

(a) If two (2) or more Project Sponsors submit proposals to own and construct the same transmission element or elements under section 24.5.1 and the CAISO determines that the two (2) or more Project Sponsors are qualified to own and construct the project under the criteria set forth in section 24.5.2.1, the CAISO will, upon request, facilitate an opportunity for the Project Sponsors to collaborate with each other to propose a single project to meet such need. If joint projects are proposed following the collaboration period, the CAISO will revise the list of potential renewable transmission upgrades or additions eligible for selection.

(b) If the qualified Project Sponsors are unable to collaborate on a joint project and are applying to the same authorized governmental body to approve the project siting, the qualified Project Sponsors must seek siting approval within one hundred and twenty (120) days and the CAISO will accept the Project Sponsor determination by that authorized governmental authority.
(c) If the qualified Project Sponsors are unable to collaborate on a joint project and are applying to different authorized governmental bodies for project siting approval, the CAISO will select one approved Project Sponsor based on a comparative analysis of the degree to which each Project Sponsor meets the criteria set forth in sections 24.5.2.1 and a consideration of the factors set forth in 24.5.2.4. The CAISO will engage an expert consultant to assist with the selection of the approved Project Sponsor. Thereafter, the approved Project Sponsor must seek siting approval, and any other necessary approvals, from the appropriate authority or authorities within one-hundred twenty (120) days of CAISO approval.

24.5.2.4 Project Sponsor Selection Factors

In selecting an approved Project Sponsor from among multiple project sponsors, as described in section 24.5.2.3(c), the CAISO shall consider the following criteria, in addition to the criteria set forth in section 24.5.2:

(a) the current and expected capabilities of the Project Sponsor and its team to finance, license, and construct the facility and operate and maintain it for the life of the project;

(b) the Project Sponsor’s existing rights of way and substations that would contribute to the project in question;

(c) the experience of the Project Sponsor and its team in acquiring rights of way, and the authority to acquire rights of way by eminent domain, if necessary, that would facilitate approval and construction;

(d) the proposed schedule for development and completion of the project and demonstrated ability to meet that schedule of the Project Sponsor and its team;

(e) the financial resources of the Project Sponsor and its team;

(f) the technical and engineering qualifications and experience of the Project Sponsor and its team;

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(g) if applicable, the previous record regarding construction and maintenance of transmission facilities, including facilities outside the CAISO Controlled Grid of the Project Sponsor and its team;

(h) demonstrated capability to adhere to standardized construction, maintenance and operating practices;

(i) demonstrated ability to assume liability for major losses resulting from failure of facilities;

(j) demonstrated cost containment capability and other advantages the Project Sponsor and its team may have to build the specific project, including any binding agreement by the Project Sponsor and its team to accept a cost cap that would preclude project costs above the cap from being recovered through the CAISO’s Transmission Access Charge.

The information that Project Sponsors must submit to enable the CAISO to conduct its evaluation of these criteria shall be specified in the Business Practice Manual.

24.5.3 Notice to Project Sponsors

The CAISO will notify Project Sponsors as to results of the project evaluation process in accordance with the schedule and procedures set forth in the Business Practice Manual.

24.6 Obligation to Construct Transmission Projects

A Participating TO that has a PTO Service Territory in which either terminus of the element or elements being upgraded or added is located shall be obligated to construct all transmission additions and upgrade elements or elements included in the comprehensive Transmission Plan for which there is no Approved Project Sponsor or for which the Project Sponsor is unable to secure all necessary approvals. In cases where the Approved Project Sponsor is subsequently unable or unwilling to build the project, the CAISO may, at its discretion, direct the Participating TO with a PTO Service Territory in which either terminus of the facility being upgraded or added is located to build the element or elements, or open a new solicitation of Project Sponsors to finance, construct and own the element or elements. The Approved Project Sponsor shall not sell, assign or otherwise transfer its rights to finance, construct and own the project.
before the project has been energized and, if applicable, turned over to the CAISO’s Operational Control unless the CAISO has approved such proposed transfer. The obligations of the Participating TO to construct such transmission additions or upgrades will not alter the rights of any entity to construct and expand transmission facilities as those rights would exist in the absence of a TO’s obligations under this CAISO Tariff or as those rights may be conferred by the CAISO or may arise or exist pursuant to this CAISO Tariff.

24.6.1  [NOT USED]
24.6.2  [NOT USED]
24.6.3  [NOT USED]

24.7 Documentation of Compliance with NERC Reliability Standards

The Transmission Plan and underlying studies, assessments, information and analysis developed during the Transmission Planning Process, regardless of whether performed by CAISO or by Participating TOs or other third parties at the direction of CAISO, shall be used by the CAISO as part of its documentation of compliance with NERC Reliability Standards.

24.8 Additional Planning Information

24.8.1 Information Provided by Participating TOs

In addition to any information that must be provided to the CAISO under the NERC Reliability Standards, Participating TOs shall provide the CAISO on an annual or periodic basis in accordance with the schedule and procedures and in the form required by the Business Practice Manual any information and data reasonably required by the CAISO to perform the Transmission Planning Process, including, but not limited to: (1) modeling data for power flow, including reactive power, short-circuit and stability analysis; (2) a description of the total Demand to be served from each substation, including a description of any Energy efficiency programs reflected in the total Demand; (3) the amount of any interruptible Loads included in the total Demand (including conditions under which an interruption can be implemented and any limitations on the duration and frequency of interruptions); (4), a description of Generating Units to be interconnected to the Distribution System of the Participating TO, including generation type and anticipated Commercial Operation Date; (5) detailed power system models of their transmission systems.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
that reflect transmission system changes, including equipment replacement not requiring approval by the
CAISO; (6) Distribution System modifications; (7) transmission network information, including line ratings,
line length, conductor sizes and lengths, substation equipment ratings, circuits on common towers and
with common rights-of-ways and cross-overs, special protection schemes, and protection setting
information; and (8) Contingency lists.

24.8.2 Information Provided by Participating Generators
In addition to any information that must be provided to the CAISO under the NERC Reliability Standards,
Participating Generators shall provide the CAISO on an annual or periodic basis in accordance with the
schedule, procedures and in the form required by the Business Practice Manual any information and data
reasonably required by the CAISO to perform the Transmission Planning Process, including, but not
limited to: (1) modeling data for short-circuit and stability analysis and (2) data, such as term, and status
of any environmental or land use permits or agreements the expiration of which may affect that the
operation of the Generating Unit.

24.8.3 Information Requested from Load Serving Entities
In addition to any information that must be provided to the CAISO under the NERC Reliability Standards,
the CAISO shall solicit from Load Serving Entities through their Scheduling Coordinators information
required by, or anticipated to be useful to, the CAISO in its performance of the Transmission Planning
Process, including, but not limited to: (1) long-term resource plans; (2) existing long-term contracts for
resources and transmission service outside the CAISO Balancing Authority Area; and (3) Demand
Forecasts, including forecasted effect of Energy efficiency and Demand response programs.

24.8.4 Information from BAAs and Regulators
The CAISO shall obtain or solicit from interconnected Balancing Authority Areas, the CPUC, the CEC,
and Local Regulatory Authorities information required by, or anticipated to be useful to, the CAISO in its
performance of the Transmission Planning Process, including, but not limited to: (1) long-term
transmission system plans; (2) long-term resource plans; (3) generation interconnection process
information; (4) Demand Forecasts; and (5) any other data necessary for the development of power flow,
short-circuit, and stability cases over the planning horizon of the CAISO Transmission Planning Process.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2;
24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3;
24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the
documents filed by the California ISO in this docket, click here.
24.8.5  **Obligation to Provide Updated Information**

If material changes to the information provided under Sections 24.8 occur during the annual Transmission Planning Process, the providers of the information must provide notice to the CAISO of the changes.

**24.9  Participating TO Study Obligation**

The Participating TO constructing or expanding facilities will be directed by the CAISO to coordinate with the Project Sponsor or Participating TO(s) with PTO Service Territories in which the transmission upgrade or addition will be located, neighboring Balancing Authority Areas, as appropriate, and other Market Participants to perform any study or studies necessary, including a Facility Study, to determine the appropriate facilities to be constructed in accordance with the CAISO Transmission Planning Process and the terms set forth in the TO Tariff.

**24.10  Operational Review**

The CAISO will perform an operational review of all facilities studied as part of the CAISO Transmission Planning Process that are proposed to be connected to, or made part of, the CAISO Controlled Grid to ensure that the proposed facilities provide for acceptable Operational Flexibility and meet all its requirements for proper integration with the CAISO Controlled Grid. If the CAISO finds that such facilities do not provide for acceptable Operational Flexibility or do not adequately integrate with the CAISO Controlled Grid, the CAISO shall coordinate with the Project Sponsor and, if different, the Participating TO with the PTO Service Territory, or the operators of neighboring Balancing Authority Areas, if applicable, in which the facilities will be located to reassess and redesign the facilities required to be constructed.

Transmission upgrades or additions that do not provide acceptable Operational Flexibility or do not adequately integrate with the CAISO Controlled Grid cannot be included in the CAISO Transmission Plan or approved by CAISO management or the CAISO Governing Board, as applicable.
24.10.1  [NOT USED]
24.10.2  [NOT USED]
24.10.3  [NOT USED]
24.10.4  [NOT USED]

24.11  State and Local Approval and Property Rights

24.11.1  PTO Requirement to Seek Necessary Approvals And Rights

The Participating TO obligated to construct facilities under this Section 24 must make a good faith effort to obtain all approvals and property rights under applicable federal, state and local laws that are necessary to complete the construction of the required transmission additions or upgrades. This obligation includes the Participating TO’s use of eminent domain authority, where provided by state law.

24.11.2  Consequences Of PTO Inability To Obtain Approvals And Rights

If the Participating TO cannot secure any such necessary approvals or property rights and consequently is unable to construct a transmission addition or upgrade found to be needed, it shall promptly notify the CAISO and shall comply with its obligations under the TO Tariff to convene a technical meeting to evaluate alternative proposals. The CAISO shall take such action as it reasonably considers appropriate, in coordination with the Participating TO and other affected Market Participants, to facilitate the development and evaluation of alternative proposals including, where possible, conferring on a third party the right to build the transmission addition or upgrade.

24.11.3  Conferral Of Right To Build Facilities On Third Party

Where the conditions of Section 24.11.2 have been satisfied and it is possible for a third party to obtain all approvals and property rights under applicable federal, state and local laws that are necessary to complete the construction of transmission additions or upgrades required to be constructed in accordance with this CAISO Tariff (including the use of eminent domain authority, where provided by state law), the CAISO may confer on a third party the right to build the transmission addition or upgrade, which third party shall, if applicable, enter into the Transmission Control Agreement in relation to such transmission addition or upgrade.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
24.12   **WECC and Interregional Coordination**

The Project Sponsor will have responsibility for completing any applicable WECC requirements and rating study requirements to ensure that a proposed transmission addition or upgrade meets regional planning requirements. The Project Sponsor may request the Participating TO to perform this coordination on behalf of the Project Sponsor at the Project Sponsor's expense.

24.13   **Interregional Transmission Proposals in the Regional Process**

Under the procedures set forth in Sections 24.3.3(d), 24.4.3 and 24.4.4, the CAISO may consider potential interregional solutions to regional needs during Phase 2 of the Transmission Planning Process. Potential interregional solutions submitted to the CAISO pursuant to these sections will be evaluated on the basis of the need for the entire proposed facility as a CAISO regional solution, the costs of which would be recovered through the Transmission Access Charge if approved as part of the comprehensive Transmission Plan. A potential interregional solution found by the CAISO to meet identified regional needs will be submitted to the CAISO Board for approval in the Transmission Plan and, if approved and applicable, the Project Sponsor will be selected in accordance with the competitive solicitation process described in Section 24.5. Subsequently, the Project Sponsor may elect to have the project studied by Relevant Planning Regions other than the CAISO pursuant to section 24.18.3 and may elect to seek Interregional Cost Allocation per section 24.18.4. The Project Sponsor must comply with the submission requirements contained in sections 24.18.3.1 and 24.18.4.1, respectively. The CAISO may also identify an interregional solution to the Relevant Planning Regions if the CAISO believes such conceptual solution could provide benefits to the other Planning Regions.

24.13.1   [Not Used]

24.13.2   [Not Used]

24.14   **Cost Responsibility for Transmission Additions or Upgrades**

Cost responsibility for transmission additions or upgrades constructed pursuant to this Section 24 (including the responsibility for any costs incurred under Section 24.11) shall be determined as follows:

24.14.1   **Project Sponsor Commitment to Pay Full Cost**

Where a Project Sponsor commits to pay the full cost of a transmission addition or upgrade as set forth in Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
subsection (2) of Section 24.4.6.1, the full costs shall be borne by the Project Sponsor.

24.14.2 Cost of Needed Addition or Upgrade to be Borne by PTO

Where the need for a transmission addition or upgrade is determined by the CAISO, the cost of the transmission addition or upgrade shall be borne by the Participating TO that will be the owner of the transmission addition or upgrade and shall be reflected in its Transmission Revenue Requirement.

24.14.3 CRR Entitlement for Project Sponsors Not Recovering Costs

Provided that the CAISO has Operational Control of the Merchant Transmission Facility, a Project Sponsor that does not recover the investment cost under a FERC-approved rate through the Access Charge or a reimbursement or direct payment from a Participating TO shall be entitled to receive Merchant CRRs as provided in Section 36.11. The full amount of capacity added to the system by such transmission upgrades or additions will be as determined through the regional reliability council process of the Western Electricity Coordinating Council or its successor.

24.14.3.1 Western Path 15

Pursuant to its Project Sponsor status as specified in Section 4.3.1.3, consistent with FERC’s findings in Docket Nos. EL04-133-001, ER04-1198-000, and ER04-1198-001, issued on May 16, 2006 (115 FERC ¶ 61,178), Western Path 15 shall receive compensation associated with transmission usage rights modeled for Western Path 15. In the event that Western Path 15 has an approved rate schedule that returns excess revenue from any compensation obtained from the CAISO associated with the transmission usage rights for Western Path 15, such revenue shall be returned to the CAISO through a procedure established by the CAISO and the Western Area Power Administration for that purpose.

24.14.3.2 FPL Energy, LLC

Pursuant to its Project Sponsor status, consistent with FERC’s findings in Docket No. ER03-407, issued on June 15, 2006 (115 FERC ¶ 61, 329), FPL Energy, LLC shall receive Merchant CRRs associated with transmission usage rights modeled for the Blythe Path 59 upgrade, such Merchant CRRs to be in effect for a period of thirty (30) years, or the pre-specified intended life of the Merchant Transmission Facility, whichever is less, from the date Blythe Path 59 was energized. For the purpose of allocating Merchant CRRs to FPL Energy, LLC over the Blythe Path 59 upgrade, the allocation of CRR Options in the import Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(east to west, from the Blythe Scheduling Point to the 230 kV side of the 161 kV to 230 kV transformer at the Eagle Mountain substation) as well as of CRR Options in the export (west to east) direction will be based on 57.1 percent of the total upgrade (96 MW out of the 168 MW), which is FPL Energy, LLC’s share of the total upgrade as approved by FERC in the letter order issued by FERC on June 15, 2006 in Docket No. ER03-407 (115 FERC ¶ 61,329).

24.14.4 Treatment Of New High Voltage Facilities Costs In HVAC

Once a New Participating TO has executed the Transmission Control Agreement and it has become effective, the cost for New High Voltage Facilities for all Participating TOs shall be included in the CAISO Grid-wide component of the High Voltage Access Charge in accordance with Schedule 3 of Appendix F, unless and with respect to Western Path 15 only, cost recovery is provided in Section 24.14.3. The Participating TO who is supporting the cost of the New High Voltage Facility shall include such costs in its High Voltage Transmission Revenue Requirement, regardless of which TAC Area the facility is geographically located.

24.15 Ownership of and Charges for Expansion Facilities

24.15.1 Transmission Additions and Upgrades under TCA

All transmission additions and upgrades constructed by Participating TOs in accordance with this Section 24 that form part of the CAISO Controlled Grid shall be operated and maintained by a Participating TO in accordance with the Transmission Control Agreement. Where such transmission additions and upgrades are jointly developed by Participating TOs and non-Participating TOs, nothing herein shall be construed to require that the non-Participating TO transfer its portion of the transmission additions or upgrades to the CAISO’s Operational Control or place such facilities within the CAISO’s Balancing Authority Area.

24.15.2 Access and Charges for Transmission Additions and Upgrades

Each Participating TO that owns or operates transmission additions and upgrades constructed in accordance with this Section 24 shall provide access to them and charge for their use in accordance with this CAISO Tariff and its TO Tariff.

24.16 Expansion by Local Furnishing Participating TOs

Notwithstanding any other provision of this CAISO Tariff, a Local Furnishing Participating TO shall not be

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
obligated to construct or expand facilities (including interconnection facilities as described in Section 8 of the TO Tariff), unless the CAISO or Project Sponsor has tendered an application under FPA Section 211 that requests FERC to issue an order directing the Local Furnishing Participating TO to construct such facilities pursuant to Section 24. The Local Furnishing Participating TO shall, within ten (10) days of receiving a copy of the Section 211 application, waive its right to a request for service under FPA Section 213(a) and to the issuance of a proposed order under FPA Section 212(c). Upon receipt of a final order from FERC that is no longer subject to rehearing or appeal, such Local Furnishing Participating TO shall construct such facilities in accordance with this Section 24.

24.17 Evaluation of Interregional Transmission Projects

In coordination with other Planning Regions and in accordance with the Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language set forth in Section 24.18, the CAISO will assess whether proposed Interregional Transmission Projects provide more cost effective or efficient solutions to regional transmission needs than proposed regional solutions and should be included in the comprehensive Transmission Plan. The CAISO’s evaluation will generally be conducted in a two year evaluation cycle as set forth in this section, but could be concluded earlier if all Relevant Planning Regions complete their assessments to allow an earlier decision.

24.17.1 Submission of Interregional Transmission Projects

Starting at the beginning of the first even-numbered calendar year after the effective date of this section 24.17, and at the beginning of every even-numbered year thereafter, the CAISO will initiate a submission period in which proponents may request evaluation of an Interregional Transmission Project. The date upon which the submission period begins will be as set forth in the Business Practice Manual and the CAISO will provide notice of this date to interested parties. The submission window will close on March 31. Interregional Transmission Project proponents must use the forms and satisfy the technical and other requirements set forth in the Business Practice Manual for Transmission Planning.

24.17.2 Interregional Transmission Project Assessment

During the planning cycle in which an Interregional Transmission Project is submitted, the CAISO will make a preliminary assessment as to whether the submitted project could potentially meet a regional

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
need by eliminating or deferring the need for a regional transmission solution. The CAISO, working with its stakeholders, will then develop an initial estimate of the benefits of the Interregional Transmission Project in terms of the estimated avoided costs of the regional transmission solution for which it eliminates or defers the regional need. If the Interregional Transmission Project could potentially meet a regional need more cost-effectively and efficiently than the regional transmission solution and the project proponent has properly requested Interregional Cost Allocation from each Relevant Planning Region, the CAISO will confer with the Relevant Planning Regions, consistent with Section 24.18.4, to determine the assignment of Interregional Transmission Project costs to the CAISO. Based on this initial assessment of Interregional Transmission Project benefits, the CAISO cost share assignment and the urgency of the need for a regional transmission solution, the CAISO will determine whether to further evaluate the project during the next planning cycle. Should the CAISO determine that the need for the regional solution is not urgent, the CAISO will defer approval of the regional solution until the Interregional Transmission Project assessment is concluded in the second cycle.

**24.17.3 Selection in the Comprehensive Transmission Plan**

During the second planning cycle after an Interregional Transmission Project is submitted, the CAISO will conduct a more in-depth analysis of the Interregional Transmission Project which will include a consideration of the timing in which a regional solution is needed and the likelihood that the proposed Interregional Transmission Project will be constructed and operational in the same timeframe as the regional solution. If the CAISO determines that the proposed Interregional Transmission Project is a more efficient or cost effective solution to a regional need and the Interregional Transmission Project can be constructed and operational in the same timeframe as the regional solution, the CAISO will identify such facility as the preferred solution and recommend it for approval by the CAISO Governing Board in the comprehensive Transmission Plan. The CAISO will also identify the regional transmission additions or upgrades that were initially identified but were eliminated by selecting the Interregional Transmission Project. Once an Interregional Transmission Project has been selected in the CAISO comprehensive Transmission Plan and the transmission plans of all Relevant Planning Regions, the CAISO will seek to coordinate with the project proponent, the other Relevant Planning Regions and all affected transmission owners.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
providers to address project implementation issues, including, project financing, cost overruns, ownership and construction, operational control, scheduling rights and other matters related to the Interregional Transmission Project.

24.17.4 Interregional Transmission Project Cost Recovery

The designated owner of the Interregional Transmission Project shall recover the CAISO’s assigned share of the Interregional Transmission Project costs through its Regional Transmission Revenue Requirement as approved by FERC.

24.17.5 Monitoring the Status of Interregional Transmission Projects

The CAISO will monitor the progress of an Interregional Transmission Project selected in the comprehensive transmission plan to meet regional needs with regard to the status of the project owner, financing, permitting, construction, and other milestones pertinent to the completion and commercial operation date of the Interregional Transmission Project. Such monitoring may include a request for periodic reports from the project sponsor and the Relevant Planning Region or affected transmission provider who are sharing the costs of the project. The CAISO shall make available to all Participating TOs with which the project interconnects all information about the status of the project and its progress towards completion and energization. As necessary, the CAISO will hold a call with such Participating TO to review whether the project completion date for the Interregional Transmission Project owner can reasonably be expected to be met and to review any other items of concern to either the CAISO or the Participating TO.

24.17.6 Delay in Interregional Transmission Project In Service Date

If the CAISO determines that the Interregional Transmission Project completion and energization date has been delayed beyond the date upon which the regional transmission solution was found to be needed, the CAISO shall issue a Market Notice stating that it is necessary for the CAISO, the Interregional Transmission Project owner and the applicable Participating TO to develop a plan to address potential NERC Reliability Standards violations as set forth in Section 24.6.3 as well as any other issues that may be of material concern to the CAISO or Participating TO. If the potential NERC Reliability Standards violations or other issues of material concern cannot be promptly and adequately addressed,
the CAISO shall reconsider the need for a regional solution and identify a regional solution to supplant the Interregional Transmission Project. The CAISO will use its best efforts to identify such a regional solution during the planning cycle in which the CAISO determined that the Interregional Transmission Project would not be completed and energized in the identified timeframe to meet the regional need originally identified in the comprehensive Transmission Plan. The regional solution may consist of the same transmission elements that were originally identified in the comprehensive Transmission Plan in which the Interregional Transmission Project was selected, or it may be a different transmission or non-transmission solution.

24.18 Order 1000 Common Interregional Tariff

24.18.1 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, the CAISO will make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in the CAISO's transmission planning region and potential solutions thereto:

(i) study plan or underlying information that would typically be included in a study plan, such as:
   (a) identification of base cases;
   (b) planning study assumptions; and
   (c) study methodologies;

(ii) initial study reports (or system assessments); and

(iii) regional transmission plan

(collectively referred to as “Annual Interregional Information”).

The CAISO will post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process the CAISO's Annual Interregional Information. The CAISO may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click [here](#).
The CAISO is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by the CAISO in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if the CAISO reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by the CAISO shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under the CAISO’s regional transmission planning process.

24.18.2 Annual Interregional Coordination Meeting

The CAISO will participate in an Annual Interregional Coordination Meeting with the other Planning Regions. The CAISO will host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. The CAISO will provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

(i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

(ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

(iii) updates of the status of ITPs being evaluated or previously included in the CAISO’s comprehensive transmission plan.

24.18.3 Interregional Transmission Project Joint Evaluation Process

24.18.3.1 Submission Requirements

A proponent of an Interregional Transmission Project may seek to have its Interregional Transmission Project jointly evaluated by the Relevant Planning Regions pursuant to Section 24.18.3.2 by submitting the Interregional Transmission Project into the regional transmission planning process of each Relevant Planning Region.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
Planning Region in accordance with such Relevant Planning Region’s regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an Interregional Transmission Project seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the Interregional Transmission Project to each such Planning Region in accordance with such Planning Region’s regional transmission planning process. In addition to satisfying each Relevant Planning Region’s information requirements, the proponent of an Interregional Transmission Project must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the Interregional Transmission Project is being submitted.

24.18.3.2 Joint Evaluation of an Interregional Transmission Project

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region) will participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the Interregional Transmission Project’s submittal in accordance with Section 24.18.3.1, or the immediately following calendar year. With respect to any such Interregional Transmission Project, the CAISO (if it is a Relevant Planning Region) will confer with the other Relevant Planning Region(s) regarding the following:

(i) Interregional Transmission Project data and projected Interregional Transmission Project costs; and

(ii) the study assumptions and methodologies it is to use in evaluating the Interregional Transmission Project pursuant to its regional transmission planning process.

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region):
(a) will seek to resolve any differences it has with the other Relevant Planning Regions relating to the Interregional Transmission Project or to information specific to other Relevant Planning Regions insofar as such differences may affect the CAISO’s evaluation of the Interregional Transmission Project;

(b) will provide stakeholders an opportunity to participate in the CAISO’s activities under this Section 24.18.3.2 in accordance with its regional transmission planning process;

(c) will notify the other Relevant Planning Regions if the CAISO determines that the Interregional Transmission Project will not meet any of its regional transmission needs; thereafter the CAISO has no obligation under this Section 24.18.3.2 to participate in the joint evaluation of the Interregional Transmission Project; and

(d) will determine under its regional transmission planning process if such Interregional Transmission Project is a more cost effective or efficient solution to one or more of the CAISO's regional transmission needs.

24.18.4 Interregional Cost Allocation Process

24.18.4.1 Submission Requirements

For any Interregional Transmission Project that has been properly submitted in each Relevant Planning Region’s regional transmission planning process in accordance with Section 24.18.3.1, a proponent of such Interregional Transmission Project may also request Interregional Cost Allocation by requesting such cost allocation from the CAISO and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an Interregional Transmission Project must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

24.18.4.2 Interregional Cost Allocation Process

For each Interregional Transmission Project that meets the requirements of Section 24.18.4.1, the CAISO (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
(i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to Interregional Transmission Projects;

(ii) the CAISO’s regional benefits stated in dollars resulting from the Interregional Transmission Project, if any; and

(iii) assignment of projected costs of the Interregional Transmission Project (subject to potential reassignment of projected costs pursuant to Section 24.18.5.2 below) to each Relevant Planning Region using the methodology described in this section 24.18.4.2.

For each Interregional Transmission Project that meets the requirements of Section 24.18.4.1, the CAISO (if it is a Relevant Planning Region):

(a) will seek to resolve with the other Relevant Planning Regions any differences relating to Interregional Transmission Project data or to information specific to other Relevant Planning Regions insofar as such differences may affect the CAISO’s analysis;

(b) will provide stakeholders an opportunity to participate in the CAISO’s activities under this Section 24.18.4.2 in accordance with its regional transmission planning process;

(c) will determine its regional benefits, stated in dollars, resulting from an Interregional Transmission Project; in making such determination of its regional benefits in the CAISO’s region, the CAISO will use its regional cost allocation methodology, as applied to Interregional Transmission Projects;

(d) will calculate its assigned pro rata share of the projected costs of the Interregional Transmission Project, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the Interregional Transmission Project;

(e) will share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the Interregional Transmission Projects in its regional transmission plan for purposes of Interregional Cost Allocation; the CAISO may use such information to identify its total share of the projected costs of the

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
Interregional Transmission Projects to be assigned to the CAISO in order to determine whether the Interregional Transmission Project is a more cost effective or efficient solution to a transmission need in the CAISO region;

(f) will determine whether to select the Interregional Transmission Project in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) will endeavor to perform its Interregional Cost Allocation activities pursuant to this Section 24.18.4.2 in the same general time frame as its joint evaluation activities pursuant to Section 24.18.3.2.

24.18.5 Application of Regional Cost Allocation Methodology

24.18.5.1 Selection by All Relevant Planning Regions

If the CAISO (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an Interregional Transmission Project in their respective regional transmission plans for purposes of Interregional Cost Allocation, the CAISO will apply its regional cost allocation methodology to the projected costs of the Interregional Transmission Project assigned to it under Sections 24.18.4.2(d) or 24.18.4.2(e) above in accordance with its regional cost allocation methodology, as applied to Interregional Transmission Project.

24.18.5.2 Selection by at Least Two but Fewer than All Regions

If the CAISO (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the Interregional Transmission Project in their respective regional transmission plans for purposes of Interregional Cost Allocation, the CAISO is to evaluate (or reevaluate, as the case may be) pursuant to Sections 24.18.4.2(d), 24.18.4.2(e), and 24.18.4.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the Interregional Transmission Project is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.
If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the Interregional Transmission Project remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of the CAISO and at least one other Relevant Planning Region, the CAISO will apply its regional cost allocation methodology to the projected costs of the Interregional Transmission Project assigned to it under Sections 24.18.4.2(d) or 24.18.4.2(e) above in accordance with its regional cost allocation methodology, as applied to Interregional Transmission Projects.

Changes to sections 24.2; 24.3.1; 24.4.3; 24.4.8; 24.4.10; 24.8.4; 24.12; 24.13; 24.13.1; 24.13.2; 24.17; 24.17.1; 24.17.2; 24.17.3; 24.17.4; 24.17.5; 24.17.6; 24.18; 24.18.1; 24.18.2; 24.18.3; 24.18.4; and 24.18.5 are currently pending in FERC Docket No. ER13-1470-000. To see the documents filed by the California ISO in this docket, click here.