

Subject	Stakeholder Name/Comments	CAISO Response
	<b>BAMx Comments</b>	
<b>Approval Standards</b>	The CAISO should adopt standard defined terminology describing the reasons to approve a transmission project, thereby allowing all stakeholders to utilize the same terminology and thus greatly enhancing our communications and comments.	The CAISO has attempted to utilize terms consistently and has modified the BPM and tariff in response to BAMx comments. However, the CAISO continues to believe that the terms should not be defined in a manner that is too prescriptive and prevents the flexibility necessary to adapt to the specific circumstances of proposed transmission upgrades.
<b>Open Season</b>	BAMx and others have previously noted that the requirements for stakeholders to propose projects in November of year X-1 for year X grid plan is discriminatory and unworkable. While the 3rd Draft of the BPM in compliance with FERC Order No. 890 obligates "PTOs economic transmission upgrades or additions" to follow the Open Season process, it has not been made clear, as mentioned above, on what distinguishes an "economic project" from one that is defined as "reliability transmission upgrades or additions" when project justifications are inconsistently classified.	The CAISO does not believe the open season proposal is discriminatory or unworkable. The open season serves several purposes. First, the open season provides a time for the CAISO to seek and entities to information that can be used to develop the next year's Study Plan, including a description of anticipated transmission needs and other infrastructure concerns that may be address by the Transmission Planning Process. Second, the open season provides an opportunity for parties to propose specific solutions to address problems, concerns or results generated by the prior year's Transmission Planning Process. Accordingly, the CAISO believes the schedule and structure of the open season is reasonable for its intended purpose and allows all parties to propose economic transmission projects. While all transmission projects have potential economic and reliability value, the CAISO believes its definitions are sufficient to enforce the distinction and the need for participation in the open season.
<b>Approval Process</b>	The timing of projects and their approval process remain confusing and opaque to stakeholders. Complete guidelines should be developed statewide for requesting CAISO approval.	The timing of approval is described. Projects with estimated capital costs of less than \$50 million are anticipated to be part of the Transmission Plan Report, which will be completed and presented to the Governing Board in January. Projects within this category included in the Transmission Plan Report have already been approved by CAISO management. Other projects that require Governing Board approval may or may not, because of study complexity, be completed in time for inclusion in the Transmission Plan Report and may be presented to the Governing Board on a separate schedule determined during the development of the Study Plan.

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<b>Biennial Process</b>	<p>We recognize an overall limitation of resources to make improvements to the CAISO planning process. Ideally resources need to be added so that meaningful results are available to stakeholders about mid-year, not in December.</p> <p>One suggestion on ways to improve the process without necessarily increasing the resources applied is to go through a biennial transmission planning process. We recognize that would require a change in the tariff language and associated BPMs, but given FERC Order No. 890 compliance and MRTU tariff proposals, this may be an opportune time to consider a biennial planning process.</p>	<p>If experience demonstrates that further refinement to the Transmission Planning Process is necessary, the CAISO will again proceed by means of a stakeholder process in which BAMx will have the opportunity to raise this issue.</p>

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	<b>CalWEA Comments</b>	
<b>Open Season</b>	<p><b>Needs identification:</b> Allow all affected and interested parties, including PTOs, generation owners and developers, LSEs, neighboring TOs and sub-regional planning groups and the CAISO, to identify and present transmission needs and opportunities as part of an open season process: First Open Season. The goal of this process would be solely to focus on needs and opportunities, and not projects or solutions.[1] The CAISO would then work with all such parties to perform the necessary analyses to identify and prioritize transmission needs and opportunities.</p>	<p>The CAISO's Transmission Planning Process is intended to address identified transmission needs, including those identified by Market Participants. This will occur through the upfront identification of the criteria and methodology for studies as well as through collaborative development of studies to be performed as part of the Transmission Planning Process.</p>
<b>Open Season</b>	<p><b>Solutions to address confirmed needs/opportunities:</b> Allow all affected and interested parties, through a Second Open Season process, to propose solutions (including transmission projects) to address all the verified high-priority transmission needs and opportunities. The CAISO would then work with all such parties to screen and consider such solutions as part of a "Master Transmission Plan" that would be developed, through its open and non-discriminatory transmission planning process, to resolve the needs and capture the opportunities identified through the First Open Season process.</p>	<p>The CAISO's open season is intended to perform this function.</p>
	<p><b>Master Plan development &amp; implementation:</b> CAISO would use agreed-upon criteria to select the least-cost/best-fit Transmission Master Plan. The PTOs would have the opportunity to construct the transmission projects selected in their service territories, consistent with their right of first refusal. Other eligible transmission developers could offer to build ISO-selected projects that the PTOs decline.</p>	<p>The CAISO does have the authority to compel PTOs to proceed with the siting, permitting and construction process for certain approved projects, and in those cases where PTOs may decline this responsibility, to seek other parties to act as Project Sponsor.</p>
<b>LGIP</b>	<p>CalWEA proposes reforming the LGIP process to tie it tightly to the larger Transmission Planning Process, as envisioned by the FERC Order 890 Proceedings, namely:  The current large interconnection queue backlog must be cleared, and projects that are not commercially viable must be "weeded out."  The LGIP process should then be heavily streamlined, to focus on determining rational transmission cost responsibilities for interconnecting projects based on their selected level of deliverability, as opposed to planning for actual transmission development, which should occur in the larger Transmission Planning Process.  Deliverability for interconnecting projects completing the LGIP process and signing Interconnection Agreements should be included as needs in the first open season referenced in Item A above.  The Master Transmission Plan envisioned in Item B above would include the actual network and other transmission upgrades to address the interconnection needs of all generation projects with signed IAs; those upgrades will be determined considering those needs, as well as all other high-priority transmission system reliability and economic needs and opportunities identified in Item A.</p>	<p>The CAISO has not engaged in LGIP reform through the Order No. 890 process. However, it intends to actively participate in FERC Docket No. AD08-2-000, recently opened to address queue issues.</p>

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	<b>PG&amp;E Comments</b>	
<b>BPM Section 9.2</b>	<p><b>Section 9.2</b> defines a “non-Market Participant” as “any person or entity not involved in marketing, sales, or brokering function as market, sales, or brokering are defining in FERC’s Standards of Conduct for Transmission Providers.” To clarify that PG&amp;E transmission planning engineers are non-Market Participants, PG&amp;E recommends that the CAISO change the following sentence as indicated:  <i>“Information that is confidential under Section 20.2(f)(i) or 20.2.(f)(ii) of the CAISO Tariff may be disclosed to any individual or group (e.g., the transmission planning division(s) of a Participating TO) that signs the form of the non-disclosure agreement and certificate included as part of this BPM representing the individual or group is or represents a non-Market Participant, which is any person or entity not involved in a marketing, sales, or brokering function as market, sales, or brokering are defined in FERC’s Standards of Conduct for Transmission Providers.”</i></p>	The CAISO does not believe that the suggested edit is necessary and that the existing language sufficiently satisfies the intent of PG&E’s concern.
<b>BPM Section 9.2</b>	Section 9.2 specifies under what circumstances the Western Electricity Coordinating Council (“WECC”) data base information may be disclosed to Market Participants that are WECC members. PG&E suggests that it also specify under what circumstances such information may be disclosed to non-Market Participants that are WECC members?	The CAISO agrees to make this clarification.
<b>Tariff Revisions</b>		
<b>Section 20.4(c):</b>	<b>20.4(c):</b> Add a new section (iv) to clarify that transmission planning divisions of PTOs may have access to confidential generation outage and other planning information in order to plan the system, as follows:	This matter remains under CAISO consideration.
	<i>In order to plan the CAISO Controlled Grid in conformance with Applicable Reliability Criteria, CAISO Grid Planning Standards and other applicable federal and state requirements, the CAISO may share individual Generating Unit Outage information and planning data with the transmission planning division(s) of a Participating TO whose system is significantly affected by the Generating Unit or planning data, respectively, and that signs the form of the non-disclosure agreement included as part of the Business Practice Manual for the Transmission Planning Process.</i>	
<b>Section 24.1.3(b)(1), 24.1.3.1(a)(4) &amp; 24.1.3.4(a):</b>	<b>24.1.3(b)(1), 24.1.3.1(a)(4) &amp; 24.1.3.4(a):</b> Change “the applicable CAISO grid planning standards, including planning standards that are Applicable Reliability Criteria” to “ <i>all</i> Applicable Reliability Criteria and CAISO Grid Planning Standards,” to be consistent with 24.1.2 and 24.2(a).	The CAISO agrees to make this clarification.
<b>Section 24.2.1:</b>	<b>24.2.1:</b> In the section heading, add “ <i>Standards</i> ” between “Planning” and “Committee.”	The CAISO agrees to make this clarification.

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<b>Section 24.2.2:</b>	<b>24.2.2:</b> The use of “within the CAISO Control Area” at the end of the fourth sentence does not seem to comply with Order 890 requirements for Economic Planning Studies to “encompass the study of upgrades to integrate new generation resources or loads on an aggregated or regional basis.” (Order No. 890, P. 548). PG&E also suggests adding “congestion relief” to the intended purposes of proposals for Economic Planning Studies, consistent with the language of Order 890.	The CAISO agrees to make this clarification.
<b>Section 24.2.2.1(c):</b>	<b>24.2.2.1(c):</b> Change “any” to “such” before “sub-regional planning entity’s preferred solution or project.”	The CAISO agrees to make this clarification.
<b>Section 24.2.2.2(d):</b>	<b>24.2.2.2(d):</b> Change to “Whether resource and Demand information indicates that the Congestion described in the study request is projected to increase over the ten year planning horizon and the magnitude of that Congestion.”	The CAISO agrees to make this clarification.
<b>Section 24.2.5.3:</b>	<b>24.2.5.3:</b> Change to: “The Transmission Plan will be considered final once it has been presented to and accepted by the CAISO Governing Board and will be posted on the CAISO Website.”	The CAISO agrees that this section requires clarification and consistency with other provisions that allocate the responsibility for construction. Accordingly, the CAISO declines to make this modification.
<b>Section 24.6.3</b>	<b>24.6.3:</b> Change to: “Where the conditions of Article 24.6.2 have been satisfied [i.e. the Participating TO cannot secure necessary approvals or property rights] 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 enter into the Transmission Control Agreement in relation to such transmission addition or upgrade.”	The CAISO agrees that this section requires clarification and consistency with other provisions that allocate the responsibility for construction.
<b>Section 24.7:</b>	<b>24.7:</b> Change the first sentence to: “The Project Sponsor will have responsibility for completing the applicable project planning coordination requirements and rating study requirements, including those of the WECC, to ensure that a proposed transmission addition or upgrade meets regional planning requirements.”	The CAISO agrees to make this clarification.

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	<b>SCE Comments</b>	
<b>Section 24.11</b>	<p>SCE is concerned with the CAISO's draft language at Section 24.11 of the Draft MRTU tariff. Specifically, section 24.11 states:  <i>"The capacity on all transmission additions and upgrades constructed in accordance with this Section 24 that is owned by a Participating TO shall form part of the CAISO Controlled Grid and shall be operated and maintained by a Participating TO as required by the Transmission Control Agreement."</i></p>	<p>The CAISO intends to modify the proposed language to reflect the appropriate level of flexibility to facilitate jointly-owned transmission projects.</p>
	<p>As the CAISO is aware, one of the issues that may jeopardize the formation of the Pacific Southwest Planning Association (PSPA) is the jurisdictional control of jointly-owned transmission projects, particularly between PTOs and non-PTOs (i.e., municipalities). The proposed tariff language at Section 24.11 does not address the issue. SCE believes the CAISO should allow operational options such as not placing the transmission facilities of jointly-owned transmission projects under the CAISO's operational control. Similar to existing arrangements, a PTO could place its shared transmission capacity of the facility under the CAISO's control, and recover the costs of the assigned transmission capacity through the CAISO TAC. Such an arrangement could provide another mechanism to foster the development of needed transmission in California, and elsewhere.</p>	
	<b>TANC Comments</b>	
<b>Section 24.11</b>	<p>Section 24.11 (Ownership of and Charges for Expansion Facilities), has been revised so that Section 24.11.1 now provides "<u>The capacity on all</u> transmission additions and upgrades constructed in accordance with this Section 24 <u>that is owned by a Participating TO</u> shall form part of the CAISO Controlled Grid and shall be operated and maintained by a Participating TO <u>as required by in-accordance with</u> the Transmission Control Agreement."</p>	<p>The CAISO intends to modify the proposed language to reflect the appropriate level of flexibility to facilitate jointly-owned transmission projects.</p>
	<p>However, Section 6 (Obligation to Build) of the BPM (in page 48) provides language that is inconsistent with the revised draft Section 24.11.1. The BPM provides in pertinent part that "any transmission additions or upgrades constructed pursuant to Section 24 of the CAISO Tariff must be transferred to the CAISO's Operational Control for inclusion in the CAISO Controlled Grid. As a result, regardless of ownership, the transmission upgrade or addition included in the CAISO Controlled Grid must be operated and maintained by a PTO after the PTO has entered into a TCA."</p>	
	<p>The ISO should clarify and the proposed BPM or MRTU Tariff language should reflect that:  (1) where transmission additions are developed jointly by a Participating Transmission Owner ("PTO") and other non-PTO's, the non-PTO's portion of the transmission additions need not be transferred to the ISO's Operational Control; and (2) a transmission project that is jointly developed by PTO's and entities outside of the ISO Control Area will not be required to become part of the ISO's Control Area or balancing authority area.</p>	

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<b>Section 24.2.5.1</b>	Section 24.2.5.1 (Technical Studies) provides that the ISO will perform or direct the performance by third parties of technical studies and other assessments necessary for the Transmission Plan and Transmission Planning Process. Since "third parties" include non-jurisdictional Market Participants or entities that are in neighboring control areas, this Section should be revised to recognize that the performance of such technical studies by nonjurisdictional Market participants or entities that are in neighboring control areas, shall be provided voluntarily. Similarly BPM section 2.1.2.3 (Stage 2: Technical Studies and Presentation) at page 16, and section 4.2 (Performance of Technical Studies and Other Necessary Review Procedures) at page 36, should be revised to clarify the same voluntary performance of technical studies by non-jurisdictional entities.	The CAISO will clarify that the CAISO can direct PTOs and Project Sponsors to perform specific tasks and that all other participation by Market Participants shall be voluntary.
	<b>TANC Comments</b>	
<b>Section 24.4</b>	Section 24.4 (Participating TO Study Obligation) provides that the PTO will be directed by the ISO to coordinate with the Project Sponsor and other Market Participants to perform any study necessary to determine the appropriate facilities to be constructed in accordance with the ISO's Transmission Planning Process. This Section should be revised to recognize that the coordination by any non-jurisdictional Market Participant and the PTO shall be provided voluntarily.	The CAISO will clarify that the CAISO can direct PTOs and Project Sponsors to perform specific tasks and that all other participation by Market Participants shall be voluntary.
<b>Page 12 of the BPM</b>	Page 12 of the BPM, which provides in section 2.1.1 (Roles of Participants in the Transmission Planning Process) the Roles and Responsibilities of "Publicly Owned Utilities," should be revised to include the term "voluntary," so that the sentence reads "Participate in the CAISO Transmission Planning Process; voluntarily exchange information and coordinate plans with CAISO and PTOs."	See above.
<b>Section 20.2</b>	The ISO has added proposed language to Section 20.2 (Confidential Information) to make information received under Section 24.2.3.2 (Information Requested from Other Market Participants) confidential. Information received under Section 24.2.3.3 (Information Requested from Interconnected Control Areas, Sub-Regional Planning Groups and Electric Utility Regulatory Agencies) may also require confidential treatment. Thus, the first sentence of that Section should be revised to add the phrase "Market Participants or other third parties" so that it reads, "The following information provided to the CAISO by Scheduling Coordinators, Market Participants or other third parties shall be treated by the CAISO as confidential."	The CAISO is considering this suggestion.
<b>BPM section 3.2</b>	The timelines in BPM section 3.2 (Open Season Submission Process) at page 24 significantly affects terms and conditions of the transmission planning process and should be included in the Tariff (i.e., 7 days to supplement submissions and 30 days to submit details of project).	The CAISO disagrees and feels the BPM is the appropriate place for scheduling detail of this nature.

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<b>BPM section 3.4</b>	BPM section 3.4 (Screening Process) provides at page 29 that the ISO will perform a maximum of five High Priority Studies on behalf of stakeholders, but retains discretion to perform greater than five. Also BPM section 4.2.2.1 (Economic Planning Studies (Congestion Studies)) provides at page 39 this same five study concept, but that the ISO may elect to conduct more study studies if congestion conditions warrant. This five-study-minimum concept should be included in the Tariff, as it significantly affects the transmission planning process.	The CAISO agrees to make this modification.
<b>Draft Section 24 of Tariff</b>	a project, the costs of which will be funded by the Project Sponsor and recovered through Congestion Revenue Ri&ts ("CRRs") rather than through the ISO's TAC or other regulatory means, and that a Merchant Project is considered an economic project. Draft Section 24 of the Tariff does not use the term "Merchant Transmission Project," but instead uses the term "Merchant Transmission Facility." The concept of fnding such costs through CRRs does not appear in the similar term "Merchant Transmission Facility," as it is defined in the MRTU Tariff, nor does the relationship between merchant and economic projects appear in the Tariff definition. See also, e.g., BPM section 2.1.4 (Transmission Projects Identified Through the Transmission Planning Process), page 20, BPM section 4.2.5 (Merchant Transmission Process), page 43, BPM section 7.1 (Merchant Transmission Facility), page 50. Although Section 36.1 1 of the MRTU Tariff does link the concept of CRRs and Merchant Transmission Facilities, the relationship between Merchant projects and CRRs is not clear, and should be specifically	The CAISO has ensured appropriate use of defined terms in its final version of the Tariff and BPM.
<b>Misc.</b>	The capitalized term "Grid Planning Standards" should be defined in the Tariff.	The CAISO agrees to make this modification.
<b>Misc.</b>	The ISO's draft Tariff language provides that the definition of the term "Economic Planning Study" is to be determined. However, the BPM defines the term to mean "A technical study conducted by the CAISO or a third party annually as part of the CAISO Transmission Planning Process to identify and address congestion and explore opportunities and/or conceptual plans to mitigate such congestion or othenvise improve market efficiency." The definition of this term should be finalized and included in the Tariff.	The CAISO will include a definition of Economic Planning Study in the Tariff.
<b>Section 24.4.3</b>	Proposed definitions for the terms "Study Plan" and "Unified Planning Assumptions" reference Section 24.4.3, however such a section does not exist in the November 12 version of the draft Tariff. Thus, the Section reference should be corrected.	The CAISO agrees to make this modification.
<b>Section 24.1.3.1 (c):</b>	In Section 24.1.3.1 (c), the reference to Section 24.1.4.1 (b)(l) should be revised to reference Section 24.1.3.1 (b)(l).	The CAISO agrees to make this modification.