

Memorandum

To: ISO Board of Governors

From: Laura Manz, Vice President of Market and Infrastructure Development

Date: May 8, 2009

Re: *Transmission Maintenance Coordination Committee Activity Update*

This memorandum does not require Board action.

EXECUTIVE SUMMARY

This memo intends to inform the ISO Board of Governors (the Board) on recent activities of the Transmission Maintenance Coordination Committee (TMCC), which met on April 16, 2009 and addressed the following significant topics:

1. California Public Utilities Commission (CPUC) proposed general order for substation inspections and maintenance;
2. Recent TMCC experiences with North American Electric Reliability Corporation (NERC) reliability standards;
3. Board approval of TMCC membership;
4. Condition-based maintenance project by San Diego Gas and Electric (SDG&E); and
5. Major grid events.

The TMCC members scheduled their next meeting for July 16, 2009 and at that meeting will approve the official minutes of the April 16, 2009 TMCC meeting. Minutes for TMCC meetings appear at the following link: <http://www.caiso.com/pubinfo/BOG/documents/grid/mcc/archives.html>.

BACKGROUND

CPUC proposed general order for substation inspections and maintenance

Michael Palusso, Southern California Edison (SCE) Manager of Transmission/Substation Maintenance and Inspection, and Frank Johnson, SDG&E Substation Construction & Maintenance Manager, briefed the TMCC on the status of the substation working group's draft general order to address substation inspections and maintenance under the jurisdiction of the CPUC. The current draft does not prevent the CPUC's inspection/maintenance oversight from overlapping California Independent System Operator Corporation (the ISO) inspection/maintenance oversight of these substations. This would cause inefficient, redundant inspection/maintenance oversight. To address the concern about redundancy, a subgroup consisting of three major investor-owned utilities met on April 10, 2009 and crafted a revised draft general order to address the issue of overlapping substation inspection/maintenance oversight. The new draft is scheduled for review and comment by other utilities during the latter part of April 2009. The entire substation working group is scheduled to meet again on May 7, 2009 to consider the subgroup's suggestions

Recent TMCC experiences with NERC reliability standards

Mr. Palusso described NERC's effort to combine NERC reliability standards *PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing)*, *PRC-008-0 (Underfrequency Load Shedding Equipment Maintenance Programs)*, *PRC-011-0 (UVLS System Maintenance and Testing)* and *PRC-017-0 (Special Protection System Maintenance and Testing)* into one NERC *PRC-005-2 (Protection System Maintenance and Testing)* standard. Mr. Palusso indicated that because the changes are very prescriptive, TMCC member organizations should participate when the NERC comment period for reliability standard *PRC-005-2* opens in the near future.

Mr. Johnson indicated that he is participating with the Western Electricity Coordinating Council (WECC) Bulk Electric System Task Force assigned to defining the phrase Bulk Electric System (BES), which is used throughout the reliability standards. Unless elements can be shown to have no material impact on BES reliability their draft defines the BES as elements operating at a voltage greater than or equal to a threshold value (100kV). Elements operating at less than the threshold value that have a material impact on the bulk electric system reliability are also defined as part of the BES. A meeting is scheduled in April 2009 with WECC task force contacts in transmission planning and operations to further develop the definition. Mr. Johnson invited interested TMCC parties to participate in this effort.

Board approval of TMCC membership

ISO Grid Asset Manager Stephen Rutty informed the TMCC that the Board approved the following five TMCC members, whose membership expired on March 31, 2009, to new two-year terms beginning April 1, 2009: Mr. Palusso, International Brotherhood of Electrical Workers Local 1245 Business Representative Landis Marttila, CPUC Utilities Engineer Jesse Ante, California Energy Commission Senior Electrical Engineer Jamie Patterson, and Western Wind Energy Executive Vice President and Chief Engineer Steve Mendoza.

Condition-based maintenance by SDG&E

Neal Bartek, SDG&E Project Manager, presented the condition-based maintenance project currently used on SDG&E station equipment in one distribution and one transmission substation. SDG&E credits the

program with saving transformer and load tap changers from impending failure. This project is presently active on two of SDG&E's 125 substations. SDG&E is considering the feasibility of its use on all of their substations within the next five to seven years.

Major Grid Events

Mr. Palusso indicated a yoke plate used to attach conductor to a tower possibly failed, forcing SCE's 500kV Midway-Vincent #1 line out of service from February 20, 2009 until February 21, 2009. Mr. Palusso mentioned no other similar yoke plates have failed. A root cause investigation is underway. The results of this investigation will be shared with the TMCC at the July 16, 2009 TMCC meeting.