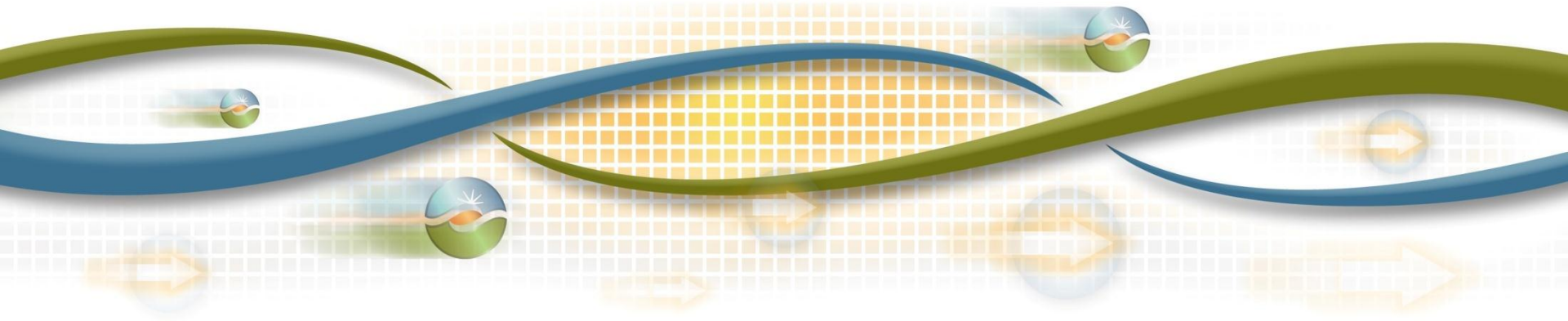


Transmission Planning Process Competitive Solicitation

Identifying potential enhancements

Stakeholder Meeting

March 6, 2014



Agenda

Time	Topic	Speaker
9:00-9:15	Purpose/scope of meeting	Steve Rutty
9:15-9:45	Tariff provisions governing competitive solicitation	Judi Sanders
9:45-10:30	Project sponsor application improvements	Lou Fonte
10:30-10:45	Approved Project Sponsor Agreement	Debi Le Vine
10:45-11:45	Other potential enhancements	Tom Flynn
11:45-12:00	Wrap Up / Next Steps	Tom Flynn

Purpose/Scope of Today's Meeting

- Discuss “lessons learned” from the 2012-2013 transmission planning process (“TPP”) competitive solicitation
- Identify potential enhancements to improve the efficiency and effectiveness of the competitive solicitation process
- Two categories of enhancements
 - Those that could be applied to the 2013-2014 TPP competitive solicitation
 - Those that may have policy implications and require a more comprehensive stakeholder process

ISO Tariff Provisions Governing Competitive Solicitation

- The competitive solicitation process was approved in 2010 as part of the ISO's revised transmission planning process (RTPP)
 - Tariff language approved in RTPP applied through the 2012-2013 TPP competitive solicitation
- On October 10, 2012, the ISO filed tariff amendments to comply with regional requirements of Order No.1000
 - FERC's April 18, 2013, Order accepted the ISO's filing, effective October 1, 2013, subject to a subsequent compliance filing submitted on August 20, 2013
 - Revised tariff language will apply to 2013-2014 TPP competitive solicitation

ISO Tariff Provisions Governing Competitive Solicitation

- Tariff Section 24.5 applies to the competitive solicitation process
- The Order No. 1000 revisions to Section 24.5 include several process changes:
 - Key selection criteria posted 30 days after draft transmission plan posted
 - Application information requirements set forth in Section 24.5.2.1
 - Following cure period, ISO will post list of project sponsors with information-sufficient applications; collaboration period will be provided upon request

ISO Tariff Provisions Governing Competitive Solicitation

- Process revisions, cont'd.
 - After collaboration period, ISO will determine project sponsor and project proposal qualification consistent with the criteria in Sections 24.5.3.1 and 24.5.3.2
 - ✓ Revised tariff contains additional clarifying qualification criteria
 - Second cure period provided for project sponsors and/or proposals found to be not qualified; list will be re-posted if deficiencies are cured
 - If multiple qualified project sponsors, ISO will conduct comparative analysis using selection criteria in Section 24.5.4
 - ✓ Revised tariff adds clarifying language to existing selection criteria

ISO Tariff Provisions Governing Competitive Solicitation

- Other tariff/BPM changes:
 - The ISO will select the project sponsor when there are multiple project sponsors, even if all project sponsors will seek siting authority from the same siting agency
 - Tariff language requiring the approved project sponsor to initiate siting authority within 120 days has been modified; approved project sponsors must enter into approved project sponsor agreement within 120 days.
 - ✓ This tariff revision is pending as part of the competitive transmission improvements filing made on January 30, 2014
 - The ISO recently revised BPM language that clarifies the ISO will “stagger” the bid solicitation window closing dates so that the ISO will be able to evaluate proposals in tranches
 - ✓ Addresses ISO resource concerns for large numbers of projects subject to competitive solicitation

Project Sponsor Application

- All project sponsors must submit a Project Sponsor application form as set forth in the BPM and posted on the ISO website
- The current version on the ISO website is the form used for the 2012-2013 TPP competitive solicitation
- The ISO is proposing to revise the application prior to the 2013-2014 TPP competitive solicitation opening in April 2014

Project Sponsor Application – proposed changes

- First – Align the application with the new tariff (Section 24.5)
- Second – SIMPLIFY the application
- Third – Add new Finance and Construction sections
- Fourth – Include statement by an officer that the information presented is true and correct

Approved Project Sponsor Agreement (APSA)

- Acknowledges acceptance of the selection of the approved project sponsor
- Establishes the obligations, roles and responsibilities of the project sponsor including project milestones
- Reflects any binding cost control measures, including binding cost caps that the approved project sponsor agreed to in their application

APSA (continued)

- An APSA has been negotiated with IID for the Imperial Valley area policy driven element and will be filed shortly
- An APSA with PG&E/Mid-American/Citizens for the Gates-Gregg 230 kV line element has been tendered
- ISO will work with stakeholders to develop a pro forma APSA for the 2013-2014 TPP competitive solicitation
- ISO will post the APSA and invite stakeholders to submit proposed redline changes by March 28 to TransmissionCompetitiveSolicitation@CAISO.com
 - Please put “APSA Redline Proposal” in the subject line

Other potential process enhancements

- Potential process enhancements raised during the 2013 competitive transmission improvements initiative
 - Collaboration period (PG&E suggested elimination of the project sponsor collaboration period)
 - 120-day issue has been addressed
- ISO invites stakeholders to offer other potential process enhancements
 - ISO will consider these through a comprehensive stakeholder process

Next steps

Date	Milestone
March 13	Stakeholder comments due

Submit comments to

TransmissionCompetitiveSolicitation@CAISO.com

no later than 5pm on Thursday, March 13.