

**Board of Governors****SDG&E 500 kV Project (Johanson)**

Moved, that the Board of Governors,

1. Rescind its motions of May 25 and August 1.
2. Finds that ~~Approve a 500 kV Project, such as the Valley-Rainbow project, is needed~~ (without selecting a preferred near-term alternative and without regard to routing) to address the identified reliability concerns of the San Diego and southern Orange county portion of the ISO grid beginning in 2004 and direct SDG&E to proceed with design and licensing activities for the proposed project and to include the ISO's analysis of the alternatives in its application to the CPUC.
3. Direct the ISO to solicit non-wires alternative proposals to compete with the 500 kV transmission line in conjunction with and for consideration in the CPUC process, before a Certificate of Public Convenience and Need (CPCN) is issued by the CPUC, but after SDG&E has chosen its preferred route, demonstrated the feasibility of right-of-way acquisition, provided an analysis of environmental impacts, and provided an estimate of its costs (to include a full disclosure of all costs including environmental mitigation and distribution system upgrade costs) as part of its design and licensing activities required through the CPCN process. The ISO will support SDG&E in its case to FERC to recover reasonably incurred costs if its project is not chosen as the preferred alternative.
4. Request ISO staff to continue to refine the parameters and process of a competitive solicitation for recommendation to the Board in January, to consult with the CPUC regarding what might assist the CPUC in its consideration of alternative proposals, to include its (staff's) recommendation regarding the CPUC's needs, and determine when and whether the ISO Board should recommend a preferred alternative to the CPUC.

Moved: Second:

Board Action: <b>Passed</b> Vote Count: <b>15-6-2</b>	
Barkovich	N
Blue	Y
Carnahan	Y
Felder	Y
Florio	Y
Freeman	Y
Hapner	A
Ingers	Y
Johanson	Y
Kehrein	N
Kirshner	Y
McNally	N
Patel	Y
Ponder	Y
Pope	Y
Reed	A

Roscoe	Y
Smutny-Jones	N
Swanson	Y
White	Y
Winter	N
Wiseman	X
Woods	N
Woychik	Y