

BAMx Comments on CAISO “Approval of Transmission Elements Under \$50 Million” Straw Proposal

The Bay Area Municipal Transmission Group (BAMx)¹ appreciates the opportunity to comment on the CAISO’s “Approval of Transmission Elements Under \$50 Million” Straw proposal (Straw Proposal) dated May 31, 2012 and the subsequent Stakeholder conference call on June 7, 2012.

Our comments cover the following three topics.

1. Need for transparency and adequate stakeholder involvement;
2. Need to clarify timing of the currently proposed CAISO management approval of transmission elements (including reliability, policy-driven, economic and long-term CRR feasibility elements) that are estimated to cost less than \$50 million.
3. Need for “All Inclusive” competitive solicitation process for eligible elements less than \$50 million.

1. Need for Transparency and Adequate Stakeholder Involvement

Our ability to provide meaningful comments on the planning process is highly dependent upon the CAISO’s facilitation of multiple interactions with stakeholders and timely response to each round of stakeholder comments. BAMx already is taxed to provide meaningful comments when the results of the annual transmission plan are shared at just one meeting with limited time to replicate the studies and potentially propose alternative solutions. Adding the proposed process to approve transmission elements less than \$50million would likely compound those problems.

First, if a given transmission element is identified to be needed based on the “reliability” criterion, a proposed period of only 2-3 months, instead of the current 5-7 months, between the posting of the CAISO findings and management approval would not be adequate for stakeholder review. Second, stakeholders will not be presented with complete information if a given project is considered for the CAISO management approval under the policy-driven or economic criteria. This is because such a determination will be done on a stand-alone basis for a particular project before stakeholders would have any opportunity to review the “general” policy-driven and economic assessments at “macro-level,” which are presented at a later date. Third, it is not clear how the interested parties would submit their projects in the 2012 Request Window in response to the CAISO Management’s accelerated approval of certain projects/elements costing less than \$50 million.

¹ BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, and City of Santa Clara, Silicon Valley Power.

In order to provide stakeholders adequate time to review the assumptions and findings associated with projects/elements costing less than \$50 million, and to further facilitate the CAISO goal of timely approval of needed projects, we suggest that the CAISO make assessments available to Stakeholders as they become available for each project/element rather than waiting to complete assessments for all such projects.

2. Need to Clarify Timing of Current Proposal

If you do not accept our proposal above, please clarify your current proposed schedule of the CAISO activities regarding the approval of transmission elements under \$50 million as it fits into the overall 2012-13 transmission planning process. For this purpose, we suggest that the CAISO completes the last column in Table A.

Table A: Proposed Schedule for Approval of Transmission Elements Under \$50 Million in the 2012-13 Planning Cycle.

Due Date	2012/2013 Activity	< \$50M Approval Activity
August 15, 2012	Request Window opens	
August 15, 2012	The ISO posts preliminary reliability study results and mitigation solutions	
September 14, 2012	PTO's submit reliability projects to the ISO	
September 26 – 27, 2012	The ISO hosts public stakeholder meeting #2 to discuss the study results, PTO's reliability projects, and the Conceptual Statewide Plan with stakeholders	
September 27 - October 11, 2012	Comment period for stakeholders to submit comments on the public stakeholder meeting #2 material	
October 15, 2012	Request Window closes	
End of October 2012	ISO post final reliability study results and mitigation solutions	
December 4, 2012	The ISO posts an update on the preliminary policy driven & economic planning study results on its website	

December 11 - 12, 2012	The ISO hosts public stakeholder meeting #3 to provide the updates on the preliminary policy driven & economic planning study results	
December 12 – 21, 2012	Comment period for stakeholders to submit comments on the public stakeholder meeting #3 material	

It is likely that a considerable amount of study material will be covered during the September 26-27, 2012 stakeholder meeting. We believe that sufficient time needs to be dedicated to review the candidate transmission elements under \$50 million. Depending on the scale and the scope of these candidate transmission elements, we request the CAISO to consider scheduling a separate stakeholder meeting to discuss them.

3. Need for “All Inclusive” Competitive Solicitation Process

It is critical that a competitive solicitation process for eligible elements less than \$50 million provides adequate information and time to merchant transmission/non-PTOs to participate fully. It is unclear from the Straw Proposal whether they would have adequate opportunity to do so under a more accelerated schedule.

BAMx appreciates the opportunity to comment on the CAISO’s “Approval of Transmission Elements Under \$50 Million” straw proposal, and is willing to work with the CAISO staff to ensure a transparent and successful 2012-13 transmission planning process.

If you have any questions concerning these comments, please contact Barry Flynn (888-634-7516 and brflynn@flynnrci.com) or Pushkar Waglé (888-634-3339 and pushkarwagle@flynnrci.com).