

March 1, 2012

Mr. Lorenzo Kristov
California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

Dear Mr. Kristov:

Clean Line Energy Partners (Clean Line) appreciates the opportunity to provide comments on the California Independent System Operator (CAISO) Draft Final TPP-GIP Integration Proposal. Clean Line is developing the Centennial West Clean Line transmission project, an estimated 900-mile high voltage direct current (HVDC) transmission line connecting renewable energy resources in Arizona and New Mexico to load centers in California.

Long-haul transmission projects are one of several options through which California can meet its renewable portfolio standard and greenhouse gas reduction goals. Indeed, California has benefited for years from HVDC projects that connect the state with remote, out-of-state resources. The CAISO should integrate the Transmission Planning Process (TPP) and Generation Interconnection Process (GIP) to create a flexible interconnection procedure whereby low-cost alternatives like remote generation paired with long-haul transmission are able to move through the study process and remain available should California decide they merit inclusion in the state's energy future.

Centennial West appreciates the opportunity to use the GIP as a means to interconnect to the CAISO system. Clean Line believes that, due to the controllable nature and direct connection of HVDC projects, this process is the only means to properly study the interconnection and deliverability of Centennial West. Using the GIP process allows for non-discriminatory treatment of resources outside the CAISO footprint that can provide low cost power to customers in California.

As an independently developed, privately financed interstate transmission line designed specifically to move renewable energy, the Centennial West Clean Line project has no clear way to attain Transmission Plan (TP) deliverability rights through the current TPP-GIP integration proposal. These rights, as you know, are conferred through a CAISO process that makes capacity estimates for specific study areas based largely on generation projects already in the queue. Since Centennial West is a transmission project and not a generation project, and the two have vastly different development timelines, it is important that consideration be made to include eligibility criteria such that the transmission facility, alone, can become eligible to be granted TP-deliverability rights. With this in mind, Clean Line suggests several revisions to the TP eligibility criteria.

The current minimum permitting status criteria require that a "project developer has applied for the necessary governmental permit or authorization for the construction of a generation facility." Centennial West is not a generation facility; however, it should be allowed to meet this criterion based on similar permitting requirements for transmission facilities. An acceptable alternative may be a submitted application to a regulatory authority for environmental review..

The project financing criteria should also be modified to incorporate an approach that allows the CAISO to grant deliverability to applicant merchant transmission facilities that do not yet have agreements with generators. As generators contract for capacity on the merchant transmission facility and/or sign PPAs with utilities, the merchant transmission facility should be able to transfer its deliverability to those generators, with the CAISO's approval.

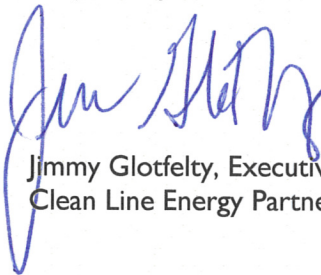
The criteria for land acquisition in the Draft Proposal also are difficult or impossible for an independent transmission project to satisfy. Instead of requiring the project to have site control for half of the associated resources, the CAISO should modify the criteria to create a specific set of requirements for long-haul HVDC projects. This could take the form of site control over converter station locations.

Section 6.1.2 of the Draft Proposal indicates that a project that has been assigned TP deliverability and later becomes ineligible can retain its Interconnection Agreement as an Energy-Only project but is now responsible for Reliability Network Upgrade (RNU) costs. Clean Line believes the timeline and process for posting the required security to cover these additional RNU costs should be clarified to avoid slowdowns and uncertainty.

Neither Option A nor Option B provides an ideal solution for HVDC projects; however, some modifications to Option B would make the process more manageable. A project requesting Option B status should be allowed to designate itself as Energy-Only once it has received Phase I or Phase II results. If a former Option B project takes advantage of this new ability to become Energy-Only, it should receive a partial refund of its posted security for network upgrades in the same manner as an Option B project that chooses to withdraw completely.

The above modifications to the Draft Proposal will improve the TPP-GIP process for long-haul, independent transmission projects. At the same time, the new or modified criteria maintain the Proposal's ability to satisfy its original purpose of efficiently and effectively planning new grid infrastructure to satisfy policy mandates in the face of unprecedented commercial activity.

Respectfully submitted,



Jimmy Glotfelty, Executive Vice President
Clean Line Energy Partners LLC