

The ISO received comments on the Imperial County Transmission Consultation stakeholder meeting held on October 8, 2014 from the following:

1. Bay Area Municipal Transmission group (BAMx)
2. California Public Utilities Commissions (CPUC)
3. Imperial Irrigation District (IID)
4. Nevada Hydro Company
5. Pacific Gas & Electric (PG&E)
6. San Diego Gas & Electric (SDG&E)
7. Six Cities
8. Southern California Edison (SCE)

Copies of the comments submitted are located on the *2014-2015 Transmission planning process* page at: <http://www.caiso.com/planning/Pages/TransmissionPlanning/2014-2015TransmissionPlanningProcess.aspx> under the *Phase 2* heading.

The following are the ISO's responses to the comments.

No	Comment Submitted	CAISO Response
1	<b>Bay Area Municipal Transmission group (BAMx)</b> <b>Submitted by: Barry Flynn and Pushkar Wagle</b>	
1a	<p><b>1. BAMx Appreciates the CAISO’s Stakeholder Involvement:</b> BAMx applauds the CAISO for preparing a second issue paper and hosting a stakeholder meeting on these issues. Although the results of any studies would need to be incorporated into the CAISO 2014---15 transmission planning process (TPP), this meeting and description of issues allows for broad stakeholder input before the CAISO develops its position. We appreciate the detailed response the CAISO has provided to the July 28 stakeholder comments on the CAISO’s July 14 Stakeholder Meeting.<sup>2</sup> We commend the CAISO for having this discussion now and encourage the CAISO to expand on this type of pre---draft report activity for other stakeholder activities.</p>	Thank you.
1b	<p><b>2. There is a Wide Concern Among Stakeholders About Building Transmission to Provide RA Credit to Variable Energy Resources (VER):</b> The CAISO and several other stakeholders recognize that the issue at hand is deliverability for resources that allow buyers of renewable projects’ output to count the generators’ dependable capacity toward their Resource Adequacy (RA) needs. BAMx has questioned the need to build expensive and unneeded transmission to acquire the RA credit from VERs in several stakeholder processes thus far. In their comments dated July 28, 2014, several other stakeholders have raised exactly the same concern.</p> <p>For instance, Pacific Gas and Electric (PG&amp;E) states the following. “Since 2010, the CAISO, CPUC, and CEC have committed to coordinate transmission planning assumptions through a Memorandum of Understanding (MOU) among the agencies. Through this MOU, the Commissioners and senior staff have jointly agreed to the RPS portfolio assumptions that should be used as inputs into the planning process. However, while the number of MWs by location and technology are very clear in these portfolio assumptions, <b>the choice of whether or not to assume this incremental procurement requires Full Capacity Deliverability Status (FCDS) remains unclear.</b>”</p> <p>“The cost/benefit of Resource Adequacy (RA) vs. network upgrades is currently an issue in the 2014 RPS Plan, where the CPUC has asked parties</p>	As stated previously, the ISO has not asserted that it is state policy that renewable resources be deliverable. As the ISO has indicated on previous occasions, however, the requirement for renewable resources to receive full capacity delivery status has been a consistent requirement of interconnecting generators, and a provision approved in PPAs by the CPUC. Further, consideration of the associated transmission costs provided by the ISO is one of the inputs taken into account in developing the portfolios by the CPUC for use in the ISO planning process, and the coordination of the ISO’s transmission planning process and generator interconnection process are based on the foundation that deliverability of the renewable generation portfolio generation will be provided.

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	<p>to comment on its proposal to assume the value of capacity from RPS procurement to be zero. While PG&amp;E, in its comments to the CPUC, has argued that RA from fully or partially deliverable RPS resources does have positive value, PG&amp;E notes that it currently expects the RA value from non---flexible resources to be low for the foreseeable future, and, with respect to energy---only deals, the RA value, by definition, would be zero."</p> <p>Similarly, San Diego Gas and Electric (SDG&amp;E) states the following.  <b>"Deliverability at Any Cost is Not a Public Policy Objective:</b> The CAISO's paper is focused on "renewable generation deliverability." It does not address the question of whether it makes economic sense to provide "deliverability" for all of the "future increased generation potential in Imperial County." SDG&amp;E believes there should be some assessment of whether consumers would be better off (i) procuring renewable generation on an "energy only" basis thereby avoiding the transmission costs that would make such generation deliverable and buying Resource Adequacy (RA) capacity from sources that do not require incremental transmission capacity, or (ii) procuring renewable generation with both energy and RA capacity attributes, which could mean incurring transmission costs to make such generation deliverable for RA counting purposes."</p> <p>In response to BAMx's July 28th comments, CAISO states the following.  "Since virtually all generation in the GIDAP process and therefore all generation procured to meet the 33% goal are specified as deliverable generation, the ISO policy driven transmission analysis has the objective of ensuring that the generation in the portfolios will be deliverable."</p> <p>To our knowledge there exists neither a requirement nor CPUC LTPP documentation that states that all resources in the CPUC renewable resource portfolios need to be fully delivered. Therefore, BAMx strongly suggests that the CAISO must provide the CPUC the full information that it needs to guide the LSEs' procurement processes in a manner that does not result in unnecessary costs. In this case, that would mean not only identifying a plan to make the portfolio quantities fully delivered as the CAISO has endeavored, but also a suite of alternatives that identifies the cost and congestion if the portfolio quantities for the Imperial area are Energy Only.</p>	

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1c	<p><b>3. It is Premature to Approve New Transmission for Imperial County Deliverability as Part of the 2014---15 Transmission Plan:</b> Many stakeholders have proposed several smaller, yet still quite significant, transmission projects to address the Imperial County deliverability constraints, but these options all lack clarity and details. It would, therefore, be inappropriate to consider these incomplete proposals as Category 1 transmission projects. These potential additions could be identified as potential Category 2 policy driven actions considered in the 2014---15 transmission plan. BAMx requests that the CAISO not approve any Category 1 policy driven transmission additions as part of the 2014---15 transmission plan.</p> <p>The reasons for not considering the proposed transmission additions as Category 1 for this planning cycle are many. First, it is clear from the Aspen study that most of the projects being proposed in the CAISO presentation as Group 2 and 3 major projects will have major adverse environments impacts and will be very difficult to site. Any proposed solution that includes building a major new transmission line must have significant and clear public benefits that cannot be reasonably met through alternative means.</p> <p>Second, the CPUC is undertaking efforts to revise various components of the 33% RPS Calculator that is used to develop the renewable TPP portfolios under the CPUC RPS proceeding.<sup>7</sup> We understand that the new version of the 33% RPS Calculator's (Version 6.1) resource selection likely will depart from the existing algorithm and will likely look at whether a renewable resource may be more economical if it is assumed not to be "Deliverable" for resource adequacy purposes. In other words, under the new calculator, while a "non--- Deliverable" or "Energy Only" renewable resource option would have no RA value, it would be equivalent to any other "Full Capacity" resource in terms of meeting the State's 33% RPS goal.</p> <p>Furthermore, the new renewable portfolio mix developed by the new calculator may recognize a much lower overall cost associated with a "Energy Only" renewable resource option, because these projects would not be tagged with the high transmission costs that the CAISO identifies to make the renewable resource option "Deliverable."</p>	<p>As outlined in section 4.8.2 of the Transmission Planning Business Practice Manual the CAISO's regional planning process designates policy-driven elements as either Category 1 or Category 2. Category 1 elements are those that will be recommended to the ISO Board for approval of need. Category 2 elements are identified in the plan, but are not recommended for approval, because they will be re-assessed in the next planning cycle as candidate Category 1 facilities based on new information regarding generation development and other factors related to the need for policy-driven transmission elements.</p> <p>As defined, the Imperial County Consultation process is a "stakeholder consultation on options to address renewable generation deliverability out of Imperial County in support of the CAISO's transmission planning process. This consultation effort is intended to provide opportunities for stakeholder input on a range of issues that will inform the CAISO's 2014-2015 transmission planning process, which is currently underway." As such, the current 2014-2015 regional transmission plan cannot consider any of the proposed projects as Category 1 projects because the CAISO has yet to determine the need for these projects.</p> <p>At the present time, the 2014-2015 regional plan is considering transmission solutions that are necessary to fulfill the deliverability needs out of the Imperial County area. As these needs are identified and should any of the projects proposed through the consultation process be considered, the CAISO will address all options through its regional planning process where stakeholders may further engage with the CAISO on identified solutions.</p>

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	<p>Third, another development that will affect the value of transmission that achieves deliverability for renewable resources is the CPUC intention to develop the Effective Load Carrying Capacity (ELCC) for Wind and Solar Resources in compliance with State law and as a replacement for the existing exceedance--based methodology to calculate the Net Qualifying Capacity (NQC) in the next yearly RA decision.<sup>9</sup> The ELCC--based NQCs for solar and wind resources are expected to significantly lower the current RA credit for these types of projects.</p> <p>The above--mentioned developments at the CPUC regarding the new 33% RPS calculator are likely to result in having significant greater amount for renewable resources that can be deemed deliverable from Imperial County. In light of these developments it would be premature to consider any new transmission proposal that is developed in order to achieve deliverability as a Category 1 project for this year's transmission plan. Such a designation for a transmission project based upon currently available data and analysis is not warranted.</p> <p>Fourth, prior to proposing any expensive transmission projects to provide deliverability for proposed projects, the CAISO should first determine whether the renewable portfolio goal can instead be met through a combination of reallocation of MIC and/or operational changes. If so, this would allow policy goals and requirements to be met at a significantly lower cost.</p>	
1d	<p><b>4. Much Confusion Still Exists Concerning the Subject of Deliverability Assessment:</b> In their July 28th comments, several stakeholders, including the Center of Energy Efficiency and Renewable Technologies (CEERT) and Imperial Irrigation District (IID), have expressed confusion over the existing CAISO Deliverability Methodology and the need to improve it. The current methodology is at the heart of how deliverability is determined for the resources that are both internal and external (Maximum Import Capability) to the CAISO controlled grid. The CAISO cites its <i>Technical Paper on Generator Interconnection and Deliverability Study Methodology</i> as the basis for restricting the ability of market participants to count RA credit from resources. Many, including the CPUC Energy Division, have asked for a separate stakeholder process to review the CAISO's Deliverability Assessment. BAMx and several other stakeholders believe that the methodology is overly severe and potentially leads to unnecessary ratepayer funded transmission development.</p>	<p>The ISO agrees that the deliverability issues are complex and has provided considerable material to enable stakeholder understanding of this topic. Please see the posted information on the 2013 ISO's Generator Interconnection and Deliverability Study Methodologies training. The Generator Interconnection and Deliverability Study Methodologies training provided a forum for market participants and other interested parties to gain an understanding of the ISO generation interconnection and deliverability study methodologies.</p> <p><a href="http://www.aiso.com/planning/Pages/GeneratorInterconnection/Default.aspx">http://www.aiso.com/planning/Pages/GeneratorInterconnection/Default.aspx</a></p> <p>Also, on this site are two rounds of stakeholder comments and ISO</p>

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	<p>Subsequently, the CAISO held a stakeholder meeting to provide more details on its deliverability assessment methodology. However, one meeting cannot substitute for an extensive stakeholder process that involves meaningful review and participation. The need for such a stakeholder process is outlined in <i>Section 13.19</i> (Deliverability Network Upgrade Planning Criteria) of the CAISO's <i>Draft 2015 Stakeholder Initiatives Catalog</i>, dated October 1, 2014.</p>	<p>responses.</p> <p>Also described in the posted information are the extensive stakeholder processes that were held prior to the most recent process.</p>

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2	<p><b>California Public Utilities Commission (CPUC)</b> <b>Submitted by: Keith White</b></p>	
2a	<p><b>1. Reallocation of Maximum Import Capability (MIC) Among Interties and a More Universal Forward-Looking Approach to MIC Determination Should be Systematically Considered Together, and This Should be Informed by the Extent of Actual Circumstances Where Historically-Based MIC Allocations are Impeding Planning and Procurement.</b></p> <p>Moving away from historical approaches to MIC determination and MIC allocation (among interties) may entail complex studies to test simultaneous deliverability over multiple interties under different future conditions. However, MIC changes could produce significant benefits such as avoiding or delaying costly transmission upgrades, identifying the most efficient upgrades, or providing transmission clarity for resource planning and procurement. Once there is a desire to import additional resource adequacy (RA) resources (or perhaps procure internal RA resources in locations that would compete with imports for deliverability) this inherently takes us beyond the historical approach to MIC, as desired RA resources will have diverged significantly from the historical pattern.</p> <p>Changes to MIC determination and MIC allocation appear to be very intertwined and should be considered together. Assessment of the need for fundamental changes should <i>take into account the extent of actual (current or likely) as opposed to purely conceptual conditions requiring MIC changes</i>, such as based on significant deviation of desired or actual capacity imports from historical patterns. This would provide a sound basis for a decision as to whether or not to pursue fundamental changes. On the other hand, if situations requiring changes are limited and poorly predictable, a one-off approach to MIC changes might suffice for now.</p>	<p>The CAISO agrees with this comment. Recognizing the scope and resource commitment entailed in a complete MIC methodology review, the CAISO concluded it reasonable to move the overall MIC methodology review into the stakeholder initiative catalogue as a means to assess stakeholder interest in this initiative. Should this initiative move forward, that stakeholder process will entertain ample opportunity for stakeholder input on process and methodology.</p>
2b	<p><b>2. The CAISO Should Provide Additional Information in the 2014-5 Transmission Plan on Various Proposed High Capacity Transmission Projects in the Los Angeles and San Diego Areas,</b></p>	<p>The ISO will be including analysis of reliability and renewable delivery benefits of potential projects in these areas in the 2014-15 transmission plan.</p>

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	<p><b><i>Including Reliability and Renewable Resource Delivery Benefits as Well as Known High Level Environmental Obstacles – with the Understanding that Such Projects are Not Ripe for Approval but Need to be Better Understood Going Forward.</i></b></p> <p>Efficient and timely electric reliability planning for the Los Angeles and San Diego areas is especially challenging because of enormous load concentrations, recent and imminent loss of considerable local conventional generation, diversity and unfamiliarity of preferred and nonconventional local resource options, and environmental challenges for developing both transmission and conventional resources. Recent CAISO approvals of transmission infrastructure and CPUC authorizations of local resource procurement have addressed certain immediate needs and provided some clarity. However, we still must consider longer term electric reliability needs in this region, recognizing both constraints <b>and</b> opportunities provided by California’s energy policies, resource priorities and emerging technologies. This includes the possibility of going beyond 33% RPS to procure, deliver and integrate higher amounts of renewable generation, as well as the likelihood of increased penetration of and reliance on local distributed electric solutions. By advancing our understanding of the various proposed high capacity transmission options within this broader context, the 2014-2015 Transmission Plan can facilitate ongoing consideration of diverse reliability solutions and their interaction. It is especially important to identify and analyze options that are environmentally feasible.</p>	



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3	<b>Imperial Irrigation District</b> <b>Submitted by:</b>	
3a	<p>IID proffers the following proposals in the short term to begin to address this issue:</p> <ol style="list-style-type: none"> <li>1. Clarify and finalize allocation of MIC to 200 MW of RA resources with PPAs in the IID BAA. There was some confusion at the stakeholder meeting on how this allocation would be performed and the proration accomplished.</li> <li>2. Finalize certain operational remedies that are being studied by the CAISO as described in the October 8<sup>th</sup> Stakeholder Meeting and supporting materials. It would be quite helpful to assess the efficacy of these operational remedies as stakeholders and the CAISO consider other options.</li> <li>3. Finalize any proposal to repurpose MIC for other Branch Groups. It is IID's understanding the IID and PV branch groups are the only segments that have relationships to each other in this regard, which should allay fears that this would impact other Interties.</li> <li>4. Perform technical analysis to get at the root cause of the reduced MIC. Consistent with appropriate data confidentiality safeguards, IID proposes that it perform this analysis and make it available to all stakeholders and the CAISO for examination and review. IID believes it can have this analysis completed by November 25, 2014. This analysis is important to ensure that there is full understanding of the issue. IID will quantify which elements of the transmission system have impacted deliverability and by how much. It will quantify the amount of transmission capability on the IID system that is relied upon to ensure deliverability for resources internal to the CAISO BAA. It will identify, resource by resource, the impact on</li> </ol>	<ol style="list-style-type: none"> <li>1. MIC is allocated to LSEs in the ISO control area through a very detailed 13 step process fully described in Tariff section 40.6.4.2. ISO plans to increase the IID MIC allocation based on the in-service dates of already executed PPAs. The results of the 2014-2015 transmission planning analysis will be taken into account to determine if any allocation of limited deliverability must be taken into account. At this time the ISO is anticipating an upward adjustment to MIC from IID of the entire 200 MW.</li> <li>2. The ISO will be including analyses of operational mitigation in these areas in the 2014-15 transmission plan.</li> <li>3. IID and PV are not the only branches that have effect on each other. The CAISO concluded it is reasonable to move the MIC methodology review into the stakeholder initiative catalogue as a means to assess stakeholder interest. Should this initiative move forward, that stakeholder process will entertain ample opportunity for stakeholder input on process and methodology.</li> <li>4. The ISO worked with IID on the development of the base cases for the 2014-15 TPP and these base cases are posted for IID and all stakeholders.</li> </ol>

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	<p>MIC for resources both inside the IID BAA, as well as the affect of resources interconnecting Sunrise Power Link, ECO Substation, Imperial Valley Substation, and increased flows on the Southwest Power Link. This analysis will also enable stakeholders to have a complete understanding of this issue and ensure that correct calculations are done for the 2014-15 planning cycle. Finally, it will allow and support a delivery component to be considered in affected system analysis.</p>	
<p><b>3b</b></p>	<p>In the longer term, IID believes the following steps should be considered:</p> <ol style="list-style-type: none"> <li>1. Reconsideration of the MIC Methodology in Total. With numerous changes in RA policies underway, including consideration of a multi-year RA requirement, the need to harmonize import counting rules with new requirements is apparent. This issue should be prioritized for examination in 2015.</li> <li>2. Assessment of Transmission Upgrades to Ensure Durable MIC Moving Forward. IID recognizes that this is underway with specific application to certain scenarios. IID seeks clarity on how the CAISO will time this with any possible changes to state policy. In this regard, if state policy is modified this year or early next to support additional renewable procurement, on what track will upgrades to enable deliverability from IID be considered? Given that there is time left in this cycle, it seems quite possible to consider these upgrades in the current cycle. At a minimum, a separate track similar to that provided for consideration of the Harry Allen-Mead line should be considered.</li> <li>3. Modification of the Affected System process. IID has described this option above. Reduction of MIC is clearly an adverse impact that should be considered and remedied in the affected system study and agreement process.</li> </ol>	<ol style="list-style-type: none"> <li>1. As described in the second draft discussion paper posted on October 1, 2014, the CAISO recognized that there was considerable interest from stakeholders in replacing the current MIC methodology from a historically-based method with a forward-looking study-based approach which engendered the CAISO to consider a broader stakeholder effort and rigorous testing to address any and all concerns related to current MIC methodology.  To this end and recognizing the scope and resource commitment entailed in a complete MIC methodology review, the CAISO concluded it reasonable to move the overall MIC methodology review into the stakeholder initiative catalogue as a means to assess stakeholder interest in this initiative. This has been done; therefore the need to launch such an initiative will be determined through the stakeholder initiative catalog process.</li> <li>2. The ISO is performing one sensitivity analysis for information purposes in the 2014-2015 transmission plan (the 2500 MW Imperial sensitivity) and expects to perform a broader sensitivity in the 2015-2016 transmission plan with higher Renewables Portfolio Standard targets. That work is expected at this time to be for informational purposes but it is conceivable that, depending on the timing of any new policy direction coming into effect that these sensitivity studies evolve from being</li> </ol>

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	<p>4. Assignment of MIC to Responsible Parties. If IID facilities are relied upon to enable deliverability of resources to the CAISO, it is reasonable to suggest that the entities paying for those facilities get the value of the added MIC. Today, whether through bill credits or direct cost responsibility and recovery through the Transmission Access Charge, load largely pays for the transmission system under the CAISO Operational Control. Similarly, IID customers that fund upgrades that enable MIC should get that benefit for facilities they pay for.</p> <p>5. Preservation of MIC Similar to Preservation of Deliverability. The CAISO process preserves deliverability for internal resources. IID understood that MIC would also be preserved, and further description of how this will be accomplished is necessary.</p> <p>As expressed in the October 8<sup>th</sup> meeting, IID is looking for a solution that honors the principle of durability so that the MIC can be relied upon in the procurement process. This issue is of paramount importance to the IID as it assesses its near term projects, including its own initiated upgrades and the Imperial Valley Policy Driven Element.</p>	<p>informational into being actionable.</p> <p>3. We understand the reference to the affected system process to be in reference to the coordination process in the generator interconnection process. MIC levels are not established in the generator interconnection process.</p> <p>4. Reconsideration of the existing MIC process would be addressed in a separate but full stakeholder process from the Imperial County Consultation effort. As noted earlier, the overall reconsideration of the MIC methodology has been moved into the stakeholder initiative catalog as a means to assess stakeholder interest in such an initiative.</p> <p>5. See answer to #4. For clarity, however, it should be noted that while full capacity deliverability status is established for a generator connecting to the ISO grid, that the annual analysis of capacity may result in lower net qualifying capacity due to new or emerging system issues. The ISO has consistently viewed that when targets are established for forward-looking MIC to be considered in the procurement process, that deliverability will be preserved to the extent resources are procured – as is being done in the case of the 200 MW of generation that IID has identified as moving forward connecting to the IID system.</p>

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4	<p><b>Nevada Hydro Company</b> <b>Submitted by: David Kates</b></p>	
4a	<p><b>1. Introduction</b></p> <p>Nevada Hydro was pleased to see, on page 45 of the PowerPoint, that its Talega–Escondido/Valley–Serrano 500 kV Interconnect Project (“TE/VS Interconnect”) is to be assessed by Aspen Environmental Group as we have designed it. As Nevada Hydro had detailed to the ISO previously, the TE/VS Interconnect has been evaluated on numerous occasions and as a result, Nevada Hydro anticipates Aspen’s task will be relatively straightforward.</p> <p>a) The California Public Utilities Commission (“PUC”) prepared, according to the California Environmental Policy Act (“CEQA”) mandates, a report titled “Interim Preliminary Report on Alternatives Screening for: San Diego Gas &amp; Electric Company Valley - Rainbow 500kV Interconnect Project CPCN Application No. 01-03-036 U.S. BLM Case No. CACA-43368 — November 2002”. In this report, the PUC analyzed in detail virtually all of the suggested routes the ISO now has on the table once again. The report remains available on the PUC web site at: <a href="http://www.cpuc.ca.gov/environment/info/dudek/valleyrainbow/valleyrainbow.htm">http://www.cpuc.ca.gov/environment/info/dudek/valleyrainbow/valleyrainbow.htm</a>. The report concluded that virtually the only viable route for a connection in or around the newly dubbed “Inland” site, formerly known as the Rainbow site, is the route of the TE/VS Interconnect. From a permitting perspective, in the 12 years since the report was issued, over which time development in the region has occurred, permitting any of these alternatives (other than the TE/VS Interconnect) can only be more problematic than when the report was published.</p> <p>b) Thirty of the roughly 32 mile length of the TE/VS Interconnect is within the Cleveland National Forest (“Forest”). The so-called “4(e)</p>	<p>CEC/Aspen Response:</p> <p><b>Item 4, NTHC section 1. a):</b> The “Interim Preliminary Report on Alternatives Screening” for the SDG&amp;E Valley-Rainbow 500 kV Interconnect Project prepared by the CPUC/BLM in 2002 evaluated a wide range of alternatives to the project, including the “Cleveland National Forest Trabuco District Alternative, Alternative 2” which is similar to the TE/VS Interconnect. However, we do not believe that the Report ranked the alternatives, recommended any particular alternative over the SDG&amp;E proposed route, or made any reference to viability. The Report briefly summarized the feasibility of each alternative and the environmental impacts of each, including potential land use and visual impacts.</p>

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	<p>conditions" the Forest will impose on the project are set forth in the final environmental impact statement ("final EIS") for LEAPS, prepared by the Federal Energy Regulatory Commission ("FERC"). Nevada Hydro has provided the ISO with copies of letters from the Forest to Nevada Hydro and to the PUC documenting their acceptance of the project. Under their rules and as part of their development of the 4(e) conditions, Forest personnel identified and acknowledged each location the project will use within the Forest. This detailed process is documented in the Workbook available here:  <a href="https://www.dropbox.com/sh/iy3u59ncxdy2rao/AAB1sfsfcYxG3k9fYfLjw ho8a?dl=0">https://www.dropbox.com/sh/iy3u59ncxdy2rao/AAB1sfsfcYxG3k9fYfLjw ho8a?dl=0</a>.</p> <p>c) The final EIS also sets forth the conditions under which the LEAPS project (including its connection to the grid) can be built. As it notes that LEAPS' connection to the grid and the TE/VS Interconnect are one and the same (see, for example, Appendix B), the TE/VS Interconnect has been assessed under the National Environmental Policy Act ("NEPA") and is clearly viable under the conditions imposed by NEPA, FERC and the Forest.</p> <p>d) Aspen's designation of the TE/VS Interconnect as the preferred transmission alternative in the final PUC assessment for SDG&amp;E's Sunrise project, again documented that there are no permit issues associated with the TE/VS Interconnect and that the project has been evaluated under the mandates of the California Environmental Quality Act ("CEQA"). The full analysis is available on the PUC's web site at: <a href="http://www.cpuc.ca.gov/Environment/info/aspen/sunrise/toc-feir.htm">http://www.cpuc.ca.gov/Environment/info/aspen/sunrise/toc-feir.htm</a>.</p> <p>Simply put, the TE/VS Interconnect has no permitting issues. This will be reflected in Aspen's report: of all the alternatives under consideration, only the TE/VS Interconnect can be classified under Aspen's criteria as <b>Green: Possible</b>.</p>	<p>CEC/Aspen Response:  <b>Item 4, TNHC section 1.c):</b>  The FERC EIS considered and authorized a pumped storage project and its generation interconnection. We believe that the FERC has the authority to license a generator and its gen-tie line but not a transmission line such as the TE/VS Interconnect Project.</p> <p>The FERC EIS issued in 2007, nearly 8 years ago, was based on environmental surveys and studies completed prior to 2007. Given the age of the EIS, it appears to us that the CNF would have to determine whether the 2007 FEIS and its Record of Decision are still valid. We believe that potential "significant new circumstances" could include definition of new threatened or endangered species, cultural resources or cultural landscapes that have been identified, changes in Forest Planning documents or recreational uses, etc. Such new circumstances would likely drive the need for a Supplemental EIS.</p> <p>The project was highly controversial when evaluated in 2007 and we believe that opposition today could be as strong, as demonstrated by the large number of intervenors in the CPUC process in 2011-2012. The CNF would be pressured to prepare a</p>

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		<p>new or Supplemental EIS, or to fully justify the adequacy of the old document.</p> <p>CEC/Aspen Resonse: <b>Item 4, TNHC 1d):</b> While TNHC states that “there are no permit issues,” it appears that the CEQA analysis was not been completed. The LEAPS project was considered an alternative to the Sunrise Powerlink Project and impacts are disclosed in the Sunrise Final EIR/EIS. On April 3, 2012 the CPUC’s Administrative Law Judge issued a Proposed Decision to Dismiss TNHC’s CPCN Application because the application was not completed and did not conform to CPUC requirements before a final CEQA document could be completed. The Final Decision issued on May 24, 2012 by the CPUC formally dismissed the Nevada Hydro application without prejudice and imposed a series of conditions that must be met if the CPUC is going to consider applications for the project in the future.</p> <p>Additionally, the TE/VS Interconnect would also likely require permits from the U.S. Fish &amp; Wildlife Service (which could trigger the need for an updated Biological Opinion based on updated surveys), the California Department of Fish &amp; Wildlife, the Water Quality Control Board, and other agencies.</p>
4b	<p><b>2. The Draft Second Discussion Paper</b> Nevada Hydro was pleased to see that the Energy Commission has decided to evaluate Nevada Hydro’s TE/VS Interconnect “in time for the next ISO Transmission Planning Process meeting in late fall 2014”</p>	

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	<p>(page 8).</p> <p>Nevada Hydro was also gratified that the ISO has acknowledged that <i>"The base TE/VS Interconnect was one such segment of a larger scheme that could provide reliability benefits that the larger plan may not be able to achieve. In fact, such considerations were suggested as an interim arrangement that could provide additional time to consider other options"</i> (page 9).</p> <p>Nevada Hydro noted that the ISO is clearly aware of the scope of studies relating to the impacts of the TE/VS Interconnect on neighboring systems. The TE/VS Interconnect is the only alternative with studies already completed that define the scope of these upgrades. Nevada Hydro again notes that none of the other projects are well enough defined to make any guess as to the need for and magnitude of upgrades to adjacent systems. Such considerations need to be included in the ISO's consideration of these other options as it seems to be a factor in the consideration of the TE/VS Interconnect.</p>	<p>These considerations will, as appropriate, be reflected within the CAISO's regional planning process.</p>
4c	<p><b>3. Stakeholder Comment Matrix</b> Nevada Hydro here provides its comments on the Matrix:</p> <p><b>3.1 Comment 13a</b> The ISO notes that, "TEVS line is not expected to increase deliverability from Imperial County", but provides no basis or support for this statement. As the only proposed project under consideration with its full deliverability assessment complete, the LEAPS/TE/VS Interconnect includes system upgrades that allow for the full deliverability of 1,000 MW, enough to accommodate both the deliverability of LEAPS and IID's MIC allotment.</p> <p>As a result, if IID were to connect their proposed HVDC line into Nevada Hydro's Lake substation, Nevada Hydro could deliver the full capability of IID's line to the SONGS area. Further, the ISO can easily confirm Nevada Hydro's belief that the TE/VS Interconnect + LEAPS</p>	<p>The transmission constraints that are limiting the delivery of Imperial area generation are stressed by flows from that area through the SDG&amp;E system and to the rest of the ISO system. The TEVS line would be downstream from these flows and constraints and would be expected to have no effect on these flows or potentially exacerbate these flows.</p>



No	Comment Submitted	ISO Response
	<p>will increase deliverability from IID to the ISO grid, without the need for a new HVDC line.</p> <p><b>3.2 Comment 13c</b> The ISO notes that Nevada Hydro’s comment <i>“suggests incorporating the project configuration from the 2007 Final Environmental Impact Statement (FEIS); however, that FEIS published by Federal Energy Regulatory Commission (FERC) addressed the combination of the TE/VS Interconnect with LEAPS. The Aspen report focused on the transmission corridor without taking into account the proposed pumped storage components that were the subject of the FEIS prepared by FERC.”</i></p> <p>Nevada Hydro notes first that the FERC went to considerable length both the pumped hydro and the transmission portion of the project in its final EIS. See for example, Appendix B. The fact that FERC’s final EIS “addressed the combination of the TE/VS Interconnect with LEAPS” is irrelevant to the electrical configuration of the project that has been public since FERC published the final EIS. Clearly, Aspen is eminently capable of excising the hydroelectric portions of FERC’s project configuration to arrive at that of the TE/VS Interconnect. In its comment, Nevada Hydro objected to the ISO’s description of the “TE/VS” project as consisting of elements not described in FERC’s final EIS. Nevada Hydro is pleased that Aspen is to now evaluate the TE/VS Interconnect as described by Nevada Hydro and as described in the final EIS.</p> <p>From an environmental perspective, the inclusion of LEAPS with the TE/VS Interconnect in the final EIS still demonstrates the permitability of both components and whether or not LEAPS is present has no relevance to the permitability of the TE/VS Interconnect itself, as the final EIS addressed both components. Notwithstanding, Aspen’s analysis of the TE/VS Interconnect in the Sunrise environmental documents again demonstrates its complete permitability as a stand-alone project.</p>	<p>CEC/Aspen Response:</p> <p><b>Item 4c. TNHC 3.2 Comment 13c:</b> While the Sunrise Powerlink alternatives analysis was completed in 2008 we believe that this analysis would not likely be characterized as a “project specific CEQA analysis” for the TE/VS Interconnect Project. This is also indicated by the CPUC’s 2010 decision that a new project-specific CEQA document would be required in order for the CPUC to consider approval of the transmission component.</p>



No	Comment Submitted	ISO Response
	<p><b>3.3 Comment 13d</b> The ISO notes, <i>“As a result, the TE/VS Interconnect has no project-specific CEQA document other than the analysis presented for the Sunrise Powerlink alternatives analysis</i></p> <p>The ISO acknowledges that the TE/VS Interconnect is the ONLY alternative described in this proceeding that HAS a project specific CEQA analysis. CEQA requires that alternatives be analyzed to the same level of detail as the proposed project. Clearly, Aspen did just this. Further Aspen’s analysis again demonstrated the absolute permitability of the TE/VS Interconnect.</p>	<p>The CAISO only acknowledges that project-specific CEQA information exists within the Sunrise environmental documents and does not comment on the applicability of that information outside of the Sunrise proceedings.</p>
4d	<p><b>4. Stakeholder Meeting PowerPoint</b> Nevada Hydro supports the ISO’s consideration of the following points made in the PowerPoint:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> “. . .consideration of reliability benefits to be gained by completing segments of some of the larger routes that were suggested for Aspen to consider” (page 9)</li> <li><input type="checkbox"/> The ability to stage the development of segments of the various alternatives may alter permitting assumptions on individual segments, while the overall alternative may be ranked as ‘very challenging’” (page 9),</li> <li><input type="checkbox"/> “Such considerations could provide an interim arrangement, providing additional time to consider other options” (page 9)</li> <li><input type="checkbox"/> “Such an approach might resolve the reliability issues for the long term by informing stakeholders of avenues to solutions that can be assembled successfully while helping address critical reliability issues segment-by-segment” (Page 10).</li> </ul> <p>With regard to the Aspen’s Addendum, commencing on page 29, Nevada Hydro notes that some of the routes described use portions of corridors currently used by existing transmission lines. Nevada Hydro notes that such “common corridor” uses may give rise to common</p>	<p>Thank you.</p>

No	Comment Submitted	ISO Response
	<p>corridor failures, and the alleged reliability benefits of these proposals should be discounted accordingly.</p> <p>Again, Nevada Hydro was pleased to see on page 45 that Aspen is analyzing the TE/VS Interconnect as Nevada Hydro has configured and as it has been analyzed by FERC in their final EIS and by Aspen and the PUC in the Sunrise EIR/EIS.</p>	

No	Comment Submitted	ISO Response
5	<b>Pacific Gas &amp; Electric</b> <b>Submitted by: Justin Bieber and Bill Peter</b>	
5a	<b>State Policy Regarding Deliverability Requirements of RPS Portfolios</b> PG&E does not believe that state policy is necessarily consistent with a requirement that all generation procured to meet RPS targets needs to be fully deliverable to or within the CAISO grid. Energy only and partially deliverable contracts are currently a viable option for renewable resources. PG&E appreciates the CAISO's clarification regarding the policy driven transmission analysis process, and encourages the CAISO to continue to work closely with the CPUC to clarify the intended state policies for the level of deliverability for resources within its portfolios. It is important to ensure that the cost of deliverability for resources driving policy driven upgrades is evaluated consistently among all the stakeholders and processes. PG&E looks forward to its continued collaboration with the CAISO and other stakeholders through the 2014-2015 TPP stakeholder process.	<p>As stated previously, the ISO has not asserted that it is state policy that renewable resources be deliverable. As the ISO has indicated on previous occasions, however, the requirement for renewable resources to receive full capacity delivery status has been a consistent requirement of interconnecting generators, and a provision approved in PPAs by the CPUC. Further, consideration of the associated transmission costs provided by the ISO is one of the inputs taken into account in developing the portfolios by the CPUC for use in the ISO planning process, and the coordination of the ISO's transmission planning process and generator interconnection process are based on the foundation that deliverability of the renewable generation portfolio generation will be provided.</p> <p>The CAISO will continue to collaboratively work with the CPUC and CEC in our regional planning process.</p>
5b	<b>Maximum Import Capability (MIC)</b> PG&E agrees that reallocating MIC can be a cost-effective alternative to achieve the necessary transmission capacity and deliverability in certain areas. PG&E commends the CAISO for exploring alternative deliverability options and for including MIC issues in the Draft 2015 Stakeholder Initiatives Catalog.	<p>Reconsideration of the existing MIC process would be addressed in a separate but full stakeholder process from the Imperial County Consultation effort. As noted earlier, the overall reconsideration of the MIC methodology has been moved into the stakeholder initiative catalog as a means to assess stakeholder interest in such an initiative.</p>

No	Comment Submitted	ISO Response
6	<b>San Diego Gas &amp; Electric Submitted by:</b>	
6a	<p><u>Progress has been made in refining data applicable to Imperial County.</u> SDG&amp;E appreciates the CAISO's effort to refine and clarify the renewable generation and deliverability data applicable to Imperial County. The technical addendum and additional clarifying language provided in the October 1, 2014 "Imperial County Transmission Consultation, Draft, Second Discussion Paper" is helpful in understanding the relevant issues. As was noted at the October 8, 2014 stakeholder meeting, the CAISO will be providing further clarifications as to which numbers reflect Net Qualifying Capacity (NQC) and which numbers reflect nameplate capacity. Issues associated with Resource Adequacy (RA) deliverability turn on NQC.</p>	<p>The renewable portfolios and interconnection requests are provided to the ISO in terms of nameplate capacity, so the ISO typically provides deliverability amounts in terms of nameplate capacity.</p>
6b	<p><u>There is stakeholder support for rationalizing the cost of transmission upgrades against the value of the RA counting rights that such upgrades provide.</u></p> <p>At the October 8, 2014 stakeholder meeting that CAISO indicated that, for study purposes, it assumes all resources in the Renewable Portfolio Standard (RPS) portfolios evaluated by the CAISO must be deliverable; i.e., will count towards CAISO Load Serving Entities (LSEs') RA requirements. In the first round of comments a number of stakeholders questioned whether this assumption made sense considering that system RA capacity values are currently low, and expected to remain low for the foreseeable future. (PG&amp;E, SDG&amp;E, BAMx)</p> <p>In its annual Transmission Planning Process (TPP), the CAISO should consider whether the cost of transmission upgrades that would make renewable resources in the RPS portfolios deliverable, is offset by the benefits such transmission would provide. It may be that certain renewable resources have greater value to consumers as Energy Only resources than as full capacity resources; especially considering the CAISO's observation</p>	<p>The requirement for renewable resources to receive full capacity delivery status has been a consistent requirement of interconnecting generators, and a provision approved in PPAs by the CPUC. Further, consideration of the associated transmission costs provided by the ISO is one of the inputs taken into account in developing the portfolios by the CPUC for use in the ISO planning process, and the coordination of the ISO's transmission planning process and generator interconnection process are based on the foundation that deliverability of the renewable generation portfolio generation will be provided.</p>

No	Comment Submitted	ISO Response
	<p>that congestion on the transmission system is likely to be quite limited.</p> <p>SDG&amp;E notes that any resources that cannot attain full capacity status via the transmission upgrades that are approved through the CAISO's annual TPP, have the option of paying for transmission upgrades that would provide such status. A generator will not pay for a transmission upgrade that confers full capacity status if the generator believes the resulting increase in the value of its generating project to LSEs is less than the cost of the transmission upgrade.</p>	
6c	<p><u>The concepts discussed in the Imperial Valley Transmission Consultation need to be transferred into other CAISO proceedings.</u></p> <p>At the October 8, 2014 stakeholder meeting, the CAISO clarified that the concepts discussed in the Imperial Valley Transmission Consultation process would need to be pursued in other proceedings if stakeholders determined the concepts had merit. As indicated above, SDG&amp;E believes there is stakeholder support for determining whether renewable resources in the RPS portfolios evaluated by the CAISO are, overall, more valuable to consumers as Energy Only resources or as full capacity resources. The CAISO's annual TPP would seem to be the best place to make this determination since this is where all of the benefits of potential new transmission can be taken into account in a comprehensive and comparative manner.</p>	<p>Generation developers have the option to interconnect as energy-only resources and LSE's have the option to purchase those energy-only resources.</p> <p>The requirement for renewable resources to receive full capacity delivery status has been a consistent requirement of interconnecting generators, and a provision approved in PPAs by the CPUC. Further, consideration of the associated transmission costs provided by the ISO is one of the inputs taken into account in developing the portfolios by the CPUC for use in the ISO planning process. Since CPUC has access to all the costs of RPS portfolios: energy, capacity and transmission; the ISO believes that CPUC is the best place for this evaluation and that if some portion of the portfolios are considered to not need deliverability through that process, the ISO would take that into account in the transmission planning process.</p>
6d	<p><i>RPS Calculator Model</i></p> <p>On October 10, 2014 a CPUC Administrative Law Judge (ALJ) issued a ruling in the Renewables Portfolio Standard Program proceeding</p>	

No	Comment Submitted	ISO Response
	<p>(Rulemaking 11-05-005) soliciting comments on a CPUC Energy Division paper that describes revisions to the RPS calculator model that are already under way as well as other possible revisions. The possible revisions include changes that would recognize the tradeoff between (i) the cost of transmission upgrades that provide RA deliverability, and (ii) the increased capacity value of renewable generating projects that are provided that RA deliverability.</p>	
6e	<p><i>Level of RA Capacity Value</i> Another possible change is a reduction in the system RA capacity value that the model currently assumes each fully deliverable renewable generator will receive. This change is intended to reflect the current and forecast surplus of system RA capacity. As long as the amount of RA capacity available from existing resources exceeds what CAISO LSEs need to meet their system RA requirements, the value of system RA capacity will be lower than the cost of a new gas turbine (the RPS Calculator model currently values all RA capacity at the cost of a new gas turbine).</p>	<p>The ISO believes this valuation should occur in the LSE procurement process as described above. Generators and LSE's have the option to execute energy only PPA's.</p>
6f	<p><i>Determining NQC</i> A related change already being incorporated in the RPS Calculator model modifies the way NQC values are established for renewable resources. Currently NQC is determined based on the correlation of a resource's expected output with the time of expected peak loads. With increasing amounts of intermittent renewable generation, the time periods of greatest reliability risk are likely to change. The modifications currently being implemented in the RPS Calculator model would establish NQC based on an Effective Load Carrying Capability (ELCC) approach. ELCC reflects a resource's relative ability to contribute to grid reliability needs in all hours of a year, not just during the peak load hours. The use of ELCC will tend to reduce the NQC of resources that are primarily available during peak load hours (such as solar) and tend to increase the NQC of resources that have availability over a wider range of time periods (such as wind). Modifications to the RPS Calculator model that are currently in progress are intended to develop RPS portfolios that will be used in the CAISO's 2015-2016 TPP; they will not change the RPS portfolios that are currently under evaluation in</p>	<p>As the ISO has indicated, the analysis of the 2500 MW Imperial sensitivity scenario is being conducted for information purposes only.</p>

No	Comment Submitted	ISO Response
	<p>the CAISO's 2014-2015 TPP. Possible modifications to the RPS Calculator model proposed in the CPUC Energy Division paper would influence the development of RPS portfolios used in the CAISO's 2016-2017 TPP.</p> <p>While SDG&amp;E believes the CAISO's annual TPP is the best place to determine whether renewable resources in the RPS portfolios evaluated by the CAISO are, overall, more valuable to consumers as Energy Only resources or as full capacity resources, it is also important that the RPS portfolios which are provided as inputs to the CAISO's annual TPP, reflect a similar – though less comprehensive – determination. Accordingly, stakeholders in the Imperial County Transmission Consultation process need to weigh-in on the CPUC Energy Division paper. Further, because the results of modifications to the RPS Calculator model will not find their way into the CAISO's annual TPP until the CAISO's 2015-2016 TPP at the earliest, any CAISO decisions on transmission upgrades for Imperial County arising out of the currently-in-progress 2014-2015 TPP need to recognize the limitations of the current version of the RPS Calculator model.</p>	
6g	<p><i>Determining Maximum Import Capability (MIC)</i></p> <p>The current process for determining the amount of generating capacity in non-CAISO Balancing Authorities (BAs) that can be counted towards CAISO LSEs RA requirements, is primarily based on historical flows across the interties during peak load periods. However, given the existing transmission limitations between the CAISO and IID BAs, the CAISO has adopted an expanded Maximum Import Capability (MIC) methodology. The CAISO explains that:</p> <p>“Once the new target expanded MIC has been established for the base case resource portfolio developed in the TPP, and during the same TPP cycle, the CAISO will conduct a deliverability study for this intertie(s), in order to assure simultaneous deliverability of the base case resource portfolio....Any transmission additions required in order to maintain deliverability of the base case portfolio resources may be approved as policy-driven transmission in the TPP under tariff section 24.4.6.6.” (page 6)</p>	<p>The CAISO agrees and believes a separate stakeholder effort would be needed to reconsider the existing MIC methodology. As noted earlier, this proposal has been included in the CAISO's annual stakeholder catalog to assess stakeholder interest in initiating a stakeholder process to reconsider the MIC methodology.</p>



No	Comment Submitted	ISO Response
	<p>The expanded MIC methodology introduces a forward-looking study process for determining the deliverability of generating capacity located in non-CAISO BAs. Based on comments made at the stakeholder meeting, it appears there is stakeholder support for moving to a forward-looking study process for determining MIC. SDG&amp;E believes it is time to consider whether the current historically-based MIC process should be completely replaced by a forward-looking study process, similar to what the CAISO is doing for MIC from the IID BA into the CAISO BA. The current historically-based MIC process likely understates the maximum amount of capacity that can be simultaneously imported into the CAISO BA during critical time periods. Further, by adopting a forward-looking study process to establish MIC into the CAISO BA, the existing restrictions on immediately counting the full amount of capacity from resources that come on line in a non-CAISO BA, could be eliminated.</p> <p>As noted above, any decision to adopt a forward-looking study process to establish MIC will not be made in the Imperial County Transmission Consultation process. Instead, the CAISO indicates that such a decision would be made in connection with the Stakeholder Initiatives Catalog process. Section 10.7.1 of the October 1, 2014 <i>"Draft 2015 Stakeholder Initiatives Catalog"</i> briefly describes a "Comprehensive Review of Methodology for determining Maximum Import Capability." Stakeholders in the Imperial County Transmission Consultation process need to participate in the Stakeholder Initiatives Catalog process in order that the concept of replacing the existing historically-based MIC process with a forward-looking study process is accorded the appropriate priority.</p>	



No	Comment Submitted	ISO Response
7	<b>Six Cities</b> <b>Submitted by: Bonnie S. Blair and Margaret E. McNaul</b>	
7a	<p><b>1. Proposed Transmission Solutions for Deliverability</b></p> <p>The Six Cities reiterate their previously-expressed concerns regarding the potentially very costly transmission projects to facilitate deliverability out of Imperial Valley that are under consideration. While the Six Cities appreciate that the intent of the preliminary assessments being undertaken are merely intended to “be input[s] into future planning discussions,” the Six Cities remain concerned that the results of this study process and the presumption that major transmission upgrades must be performed to facilitate Imperial Valley deliverability will overtake any considerations of the cost of these projects and impacts to ratepayers, notwithstanding the ISO’s reminder that the transmission planning process “takes into account economic considerations.”</p> <p>The Six Cities recommend that any final guidance documents produced as a result of this consultation and used as inputs to the transmission planning process include cost estimates, however preliminary and subject to further refinement in the planning process, and note in particular the factors associated with each project that are expected to be significant cost drivers, whether such factors serve to increase costs, such as a route involving significant undergrounding or especially large permitting/right-of-way fees, or decrease costs, such as whether a likely route utilizes existing rights-of-ways. The Six Cities are unclear as to whether any cost estimates have been provided by the proponents of the additional projects that the Aspen Group intends to further study, but additionally note that considerations of cost could and should be a way to differentiate between two possible projects, such as Alternative 9 (Hoover to SONGS) proposed by Imperial Irrigation District and Alternative 10 (Midway to Devers) proposed by Southern California Edison Company, that include substantially overlapping routes. Finally, the Six Cities concur with the ISO’s conclusion that consideration of project segments may accomplish some of the deliverability objectives while minimizing costs; this approach</p>	<p>The CAISO reiterates that the over-riding objective of the consultation process is to collect stakeholder input on deliverability concerns from the Imperial County are into the CAISO through which the CAISO’s 2014-2015 regional planning process could be “informed” of stakeholder input. The consultation process will not supplant any of the CAISO’s planning process requirements as defined in our tariff and transmission planning BPM; it will only provide another source of information to be considered in the 2014-2015 Transmission Plan.</p> <p>The inclusion of cost estimates for any of the alternatives is unnecessary at this time. The CAISO transmission planning process must first identify a “need” for which different solutions can be considered to meet that need. Once a “need” is established, appropriate solutions can be considered that are commensurate with the “need” identified.</p>

No	Comment Submitted	ISO Response
	<p>has merit and should likewise be considered as part of the planning process.</p>	
7b	<p><b>2. Reallocation of MIC from the Palo Verde Branch Group to the Imperial Valley Branch Group(s)</b></p> <p>The Six Cities understand that the ISO is currently proposing to establish two separate stakeholder proceedings to address (i) possible reallocation of MIC to the Imperial Valley branch group(s); and (ii) broader issues of whether the existing MIC methodology should be comprehensively revised. With respect to item (i), a new stakeholder process would be initiated to the extent deemed necessary through the transmission planning process.</p> <p>If either of these two changes are to be undertaken, then they should be considered in open and transparent stakeholder processes. While reallocating MIC from the Palo Verde branch group to the Imperial Branch group may appear to be a relatively minor incremental change, a stakeholder proceeding (culminating in appropriate regulatory filings if necessary) is the proper forum in which to consider waiving or creating an exception to the existing MIC methodology.</p> <p>Finally, the Six Cities appreciate the ISO's recognition that any changes to the existing MIC methodology or reallocation related to Imperial Valley needs to preserve priority for certain existing rights, including Existing Transmission Contracts, Transmission Ownership Rights, and pre-Resource Adequacy Import commitments, as well as reflect the ISO's reliability and operational requirements.</p>	<p>Thank you for your comment and the CAISO agrees that any reconsideration of the MIC methodology must be accomplished through a robust stakeholder effort. As stated earlier, the CAISO has included a proposal to reconsider the MIC methodology in the CAISO's annual stakeholder catalog. If there is sufficient interest, the ISO will initiate a stakeholder through its established stakeholder process which will certainly provide for the openness and transparency the Six Cities expects.</p>

No	Comment Submitted	ISO Response
8	<p><b>Southern California Edison</b> <b>Submitted by: Dana Cabbell, Ayman Samaan and Karen Shea</b></p>	
8a	<p><b><u>MIC</u></b> SCE is pleased with the CAISO's additional background clarifying MIC; it is helpful. The CAISO is planning to update the Technical Addendum for Imperial County Deliverability and increase the MIC by an additional 200 MWs (the adjustment would increase MIC from 462 to 662 MW). SCE understands from the Oct 8 stakeholder meeting that the CAISO plans to place the additional 200 MWs and the 1000 MW of generation being interconnected directly to the CAISO system on a level playing field for the deliverability evaluation. SCE appreciates the clarification and understanding. Also, SCE understands that the additional 200 MW is a work in progress and the CAISO will provide information on the 200 MW to stakeholders in the future (at this time SCE understands that it is not as a result of a reallocation of MIC from the Palo Verde branch group).</p> <p>Also, SCE commends the CAISO in considering a future stakeholder process to consider a forward-looking MIC methodology which considers system capability as a possible replacement to the current MIC methodology which is based on a historically-based method. SCE looks forward to supporting the CAISO process in such a stakeholder effort.</p>	<p>Yes.</p> <p>The CAISO will look forward to facilitating a stakeholder process should this be determined to be a sufficiently high priority to stakeholders to move forward.</p>
8b	<p><b><u>Addendum to Transmission Options and Potential Corridor Designations</u></b> SCE also appreciates the CEC/Aspen review of environmental considerations and Addendum posted to the CEC website. Regarding the Devers – Midway 500kV T/L identified constraints, as discussed at the CAISO stakeholder meeting, routing options for the project may be developed that consider minimizing environmental impacts. SCE appreciates the CEC and Aspen early focus to screen such issues and is considering route alternatives. SCE is submitting for CAISO consideration into the 2014-15 request window the Devers – (IID) Midway 500kV inter-tie transmission project.</p>	<p>Thank you.</p>