

July 28, 2017

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER17- ____-000
Clean-up Tariff Amendment to Remove Requirement to
Develop a Statewide Conceptual Plan as Part of the Annual
Transmission Planning Process**

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) submits this tariff amendment to eliminate the requirement in its tariff to develop a conceptual statewide plan as part of its annual transmission planning process.¹ The CAISO adopted this requirement in conjunction with its collaboration with other transmission planners in California through the California Transmission Planning Group (CTPG), and since 2010 the CAISO has prepared the conceptual statewide plan as part of its annual transmission planning process. However, several important changes have occurred subsequently that support removing the conceptual statewide plan requirement from the CAISO tariff. First, the CAISO and other western planning regions implemented the interregional coordination requirements of Order No. 1000,² and formal interregional coordination under Order No. 1000 has superseded development of the conceptual statewide plan and rendered it ineffectual, redundant, and of minimal value. Interregional coordination now occurs through an approved Order No. 1000 compliant interregional planning process, not through informal forums such as the CTPG or through development of a conceptual statewide plan. Second, the CTPG is no longer functioning, and in recent years the CAISO has been

¹ The CAISO submits this filing pursuant to section 205 of the Federal Power Act (FPA), 16 U.S.C. § 824d.

² *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 100, 136 FERC ¶ 61,061 (2011), order on *reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, order on *reh'g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom*, *S.C. Pub. Serv. Auth. v. FERC*, 762 F. 3d 41 (D.C. Cir. 2014).

developing the conceptual statewide plan by itself, which defeats the fundamental purpose of developing the plan as originally envisioned. Under these circumstances, there is little if any value in the CAISO alone continuing to develop the conceptual statewide plan, and it detracts the CAISO from focusing its limited resources on the numerous other important regional and interregional planning activities it must undertake. The CAISO requests that the Commission eliminate the requirement for the CAISO to develop a conceptual statewide plan. The CAISO's transmission planning process will not be adversely affected by removing these provisions. In the stakeholder process conducted by the CAISO, no stakeholder opposed removing the conceptual statewide plan tariff provisions from the CAISO tariff.

I. BACKGROUND

A. Formation of CTPG

In 2009, the CTPG³ formed to provide a forum for transmission planners and load serving entities in California to coordinate and conduct joint transmission planning to meet California's infrastructure and policy needs consistent with the principles enunciated in Commission Order No. 890.⁴ The CTPG members were: CAISO; Imperial Irrigation District; Los Angeles Department of Water and Power; Pacific Gas and Electric Company; Southern California Edison Company; Southern California Public Power Authority; San Diego Gas and Electric Company; Sacramento Municipal Utility District; Transmission Agency of Northern California; Turlock Irrigation District; and Western Area Power Administration.

Initially, the CTPG undertook a collaborative process to produce a statewide conceptual plan for access to renewable resources to achieve California's 33 percent renewable portfolio Standard (RPS) target.⁵ In February

³ The CTPG was not a decision making body. Rather, the intent was for the CAISO and the other California planning authorities participating in the CTPG to follow their own rules and processes for approving and funding transmission projects. Accordingly, the CTPG could not direct the development of the CAISO's comprehensive transmission plan or determine what projects get built and by whom. Rather, for the CAISO balancing authority area, the CAISO alone would determine, pursuant to its transmission planning process what projects are needed and who should build them.

⁴ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 559 (emphasis added) (quoting *Colorado Interstate Gas Co. v. FPC*, 324 U.S. 581, 589 (1945)), order on reh'g, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), order on reh'g, Order No. 890-B, 123 FERC ¶ 61,299 (2008), order on reh'g, Order No. 890-C, 126 FERC ¶ 61,228, order on clarification, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

⁵ The CTPG plan was conceptual in the sense that it was not intended to address all reliability and operational needs of the CTPG balancing authority areas and would not include all of the engineering details required to develop complete proposals to build the facilities.

2011, as the result of a joint effort among its members, the CTPG released the “2010 California Transmission Planning Group Statewide Transmission Plan – Final” that documented results from a significant study effort among the CTPG participants.

B. Tariff Amendment Implementing the Conceptual Statewide Plan

On June 4, 2010, the CAISO filed a tariff amendment in Docket No. ER10-1401-000 to implement a revised transmission planning process (RTPP). Recognizing its involvement in and coordination with the CTPG, the CAISO included proposed tariff language requiring development of a conceptual statewide plan. Although the proposed tariff language did not expressly refer to the CTPG, the CAISO proposed this requirement because it intended to work with the CTPG to jointly develop the conceptual statewide plan annually and indicated such intent in its tariff amendment filing.⁶ The CAISO noted that “[t]he conceptual statewide plan developed by the CTPG, with which the ISO is collaborating, will merely be one of many inputs into the ISO’s planning process.”⁷ The CAISO requested that the Commission authorize its participation in the CTPG and approve using the conceptual statewide plan developed by the CTPG as an input into the CAISO’s planning process.⁸ In its order approving the RTPP, the Commission found the CAISO’s “participation in CTPG studies acceptable” and “accept[ed] the proposed RTPP tariff provisions concerning the development of the conceptual statewide plan” subject to certain tariff modifications.⁹

Under the RTPP tariff provisions approved by the Commission, the CAISO develops an annual comprehensive transmission plan through a three phase process.¹⁰ CAISO tariff section 24.4.4 contains provisions regarding the CAISO’s development of, and stakeholder comment on, the conceptual statewide plan.

⁶ California Independent System Operator Corporation, Revised Transmission Planning Process Tariff Amendment, Docket No. ER10-1401-000, pp.1, 10, 28 (June 4, 2010).

⁷ *Id.* at 10.

⁸ *Id.* at 1, 10-11; 27-34.

⁹ *California Independent System Operator Corporation*, 133 FERC ¶61,224 at PP 42-43 (2010) (RTPP Order).

¹⁰ CAISO tariff section 24.2. In Phase 1, the CAISO develops and completes the Uniform Planning Assumptions and Study Plan and, in parallel, begins developing the conceptual statewide plan. In Phase 2, the CAISO performs studies, assesses the various inputs it receives, and develops a comprehensive transmission plan that, *inter alia*, identifies the transmission solutions required to meet the infrastructure needs of the grid. In Phase 3, the CAISO evaluates proposals to construct and own certain transmission solutions specified in the transmission plan approved by the CAISO Board.

The tariff requires the CAISO, beginning in Phase 1 of the transmission planning process, to either develop or, in coordination with other regional or sub-regional transmission planning groups or entities, including interconnected balancing authority areas, participate in developing a conceptual statewide transmission plan.¹¹ The conceptual statewide transmission plan may identify potential transmission solutions needed to meet state and federal policy requirements and directives. CAISO tariff section 24.4.4 contemplates that the conceptual statewide transmission plan will be an input into the CAISO's transmission planning process.¹² The tariff requires the CAISO to post the conceptual statewide transmission plan to the CAISO Website and issue a market notice providing notice of the availability of the plan. In the month immediately following publication of the conceptual statewide transmission plan, the CAISO must provide an opportunity for interested stakeholders to submit comments on the conceptual statewide transmission plan¹³

Although the conceptual statewide plan is an input into Phase 2 of the CAISO's transmission planning process, the RTPP Order recognized that it is only one input into that process,¹⁴ and that the tariff should not assign the conceptual statewide plan greater weight than any other input into the planning process.¹⁵ In Phase 2 of the transmission planning process, the CAISO evaluates the conceptual statewide plan and all other inputs to determine which transmission solutions it should include in the comprehensive transmission plan. Consistent with the Commission's directives in the RTPP Order, CAISO tariff section 24.4.5 provides that, in determining which transmission solutions it should include in the comprehensive annual transmission plan, the CAISO cannot give undue weight or preference to the conceptual statewide plan or any other input in its planning process. In the RTPP Order, the Commission also required the CAISO to apply the same criteria and standards to each input in the planning process.¹⁶ Thus, the CAISO has evaluated conceptual transmission elements identified in the conceptual statewide plan with the same rigor it reviews all other potential transmission solutions.

¹¹ *Id.* at § 24.3

¹² *Id.* at § 24.4.4

¹³ *Id.*

¹⁴ RTPP Order at P 49.

¹⁵ *Id.*

¹⁶ RTPP Order at P 49.

C. External Factors Have Affected Development of the Conceptual Statewide Plan

Since January 2011, the CAISO has prepared a conceptual statewide plan in parallel with preparing its annual comprehensive transmission plan. During the initial two years of developing the conceptual statewide plan, the CTPG members actively engaged and collaborated with the CAISO in preparing the document. However, no CTPG members have coordinated with the CAISO in developing recent conceptual statewide plans. Rather, the CAISO alone has been preparing and releasing the conceptual statewide plans.

Following issuance of Order No. 1000 in July 2011, the focus of California's transmission providers turned to implementing the order's requirements, which included that (1) every public utility participate in regional transmission planning process that produces a regional transmission plan; (2) neighboring planning regions adopt interregional coordination procedures to evaluate potential interregional transmission facilities; and (3) planning regions to adopt regional and interregional cost allocation methodologies. Because of Order No. 1000, four regional planning groups formed in the west: CAISO; ColumbiaGrid; WestConnect; and Northern Tier Transmission Group. The non-CAISO CTPG members joined the broader WestConnect planning region that spans multiple states and have been participating in WestConnect's regional and interregional planning and coordination efforts. Through collaborative efforts, the four planning regions developed, adopted, and filed with the Commission joint tariff language implementing interregional transmission coordination procedures. By June 2015, the Commission had approved the four western planning regions' interregional coordination processes.¹⁷ Since implementing the interregional coordination provisions, the planning regions, which include former members of the CTPG, have been proactively engaged in formal interregional coordination activities under Order No. 1000 and the common tariff provisions.

With implementation of Order No. 1000's requirements, the western planning regions' interregional coordination efforts have supplanted development of a conceptual statewide plan. First, the CAISO and WestConnect planning regions have proactively engaged in formal, tariff-based regional transmission planning and interregional coordination activities, which include sharing planning data and other information.¹⁸ The CAISO and WestConnect have worked

¹⁷ *Public Service Company of New Mexico, et al.*, 149 FERC ¶61,247 (2014), order on compliance, 151 FERC ¶61,189 (2015).

¹⁸ Between 2011 and 2014, the CAISO prepared the conceptual statewide plan based on information available from the transmission plans developed by each of the individual CTPG members. However, once fully operational, WestConnect prepared its initial regional plan which documented the plans of its members, including the other CTPG members. In turn, the CAISO utilized information from WestConnect's 2014 and 2015 biennial regional transmission plans to

together to develop formal processes and procedures for coordinating planning data and information. Formal CAISO-WestConnect coordination has replaced CAISO coordination with the CTPG and does not involve joint development of a conceptual statewide plan. Second, the planning regions and California transmission providers are identifying and considering regional and interregional transmission solutions through the Commission-approved regional and interregional planning and coordination processes, not through the CTPG or development of a conceptual statewide plan. Stated differently, with the establishment of formal regional and interregional planning and coordination activities under Order No. 1000, the former non-CAISO members of the CTPG have focused their planning and coordination activities through WestConnect's processes, not through the CAISO and not through the CTPG.¹⁹

Because of the western planning regions' implementation of the Order No. 1000 requirements for formal, tariff-based regional planning and interregional coordination, there was no longer a need for the informal CTPG process leading to the demise of the CTPG. The CTPG is no longer functioning as a planning entity or coordination body and it has not met in four years, has not scheduled meetings in recent years, has no current chairman, and is no longer represented at the Transmission Expansion Planning Policy Committee of the Western Electricity Coordinating Council or other regional and/or interregional planning entities.

These changes have also resulted in a continued decrease in CTPG member engagement in developing the conceptual statewide plan. Although the CAISO provides the annual draft conceptual statewide plan to the former CTPG members for review, they generally have not responded. In recent years, no CTPG members have assisted the CAISO in developing the conceptual statewide plan. All evidence suggests that, as envisioned by Order No. 1000, the western planning regions have taken over regional and interregional planning and coordination activities, and the former CTPG members are participating in those formal processes, not through the CTPG or developing a conceptual statewide plan in the CAISO's regional planning process. The formation of

prepare the conceptual statewide plans for 2014 and 2015. For the CAISO to continue developing the conceptual statewide plan only would mean that the CAISO would take information directly from WestConnect's regional transmission plan and repeat it in the CAISO's conceptual statewide plan. No joint development of or coordination on a conceptual statewide plan is occurring. The CAISO already takes into account information from WestConnect and other western planning regions in developing its annual transmission plan. It is redundant and unnecessary for the CAISO to also use the same information to unilaterally develop a conceptual statewide plan that is non-binding and is not a component of any other planning region's formal regional and interregional planning and coordination process.

¹⁹ Order No. 1000 requires regional and interregional planning, not state-specific planning. Presently, all of the former members of the CTPG are not members of the same Order No. 1000 planning region.

formal planning regions and planning and coordination processes have essentially supplanted the need for the CTPG and development of a conceptual statewide plan.

D. Stakeholder Process

On May 18, 2017, the CAISO posted a straw proposal entitled *Removing the Requirement to Develop and Annual Comprehensive Statewide Plan from the California ISO Tariff*. An attachment to the straw proposal contained the tariff revisions the CAISO was proposing to remove references to the conceptual statewide plan requirement in its tariff. The CAISO held a call with stakeholders on May 25, 2017, to discuss the CAISO's straw proposal. No stakeholder on the call objected to the CAISO's proposal. The CAISO gave stakeholders until June 8, 2017, to submit written comments on the CAISO's proposal. Only two stakeholders submitted comments. Southern California Edison Company indicated that it "concur[s] with the proposal's conclusions and the recommendation to remove the Conceptual Statewide Plan from the California ISO's Tariff." The Office of Ratepayer Advocates (ORA) "agree[d] that the CSTP no longer serves its intended purpose," but recommended that the CAISO reevaluate the impact of the tariff revision after completion of the first interregional transmission planning cycle following the proposed tariff revision.

On June 22, 2017, the CAISO posted to its website (1) a draft final proposal to remove the conceptual statewide plan provisions from the tariff; and (2) a matrix of stakeholder comments and the CAISO responses thereto.²⁰ The CAISO gave stakeholders until June 29, 2017, to submit comments on the draft final proposal. No stakeholder submitted comments. At its July 26-27, 2017 meeting, the CAISO Board authorized CAISO management to make a tariff amendment filing to remove the conceptual statewide plan tariff provisions from the tariff.²¹

²⁰ These documents are included as Attachment C to this filing.

²¹ CAISO management's memorandum to the CAISO Board of Governors proposing elimination of tariff provisions regarding the conceptual statewide plan is attached hereto as Attachment D.

II. THE COMMISSION SHOULD ELIMINATE THE REQUIREMENT FOR THE CAISO TO DEVELOP A STATEWIDE CONCEPTUAL PLAN IN ITS ANNUAL TRANSMISSION PLANNING PROCESS

The CAISO proposes to eliminate all tariff provisions in section 24 of its tariff referring to the conceptual statewide plan. Specifically, the CAISO proposes to (1) eliminate tariff section 24.4.4 in its entirety (*i.e.*, the tariff section requiring development of the conceptual statewide plan); and (2) remove references to the conceptual statewide plan in tariff sections 24.2, 24.3, 24.4.1(a), and 24.4.5.

Based on the lack of meaningful engagement of individual CTPG members, the CTPG ceasing to function, and the formation of Order No. 1000 planning regions that assumed responsibility for regional planning and interregional coordination, the requirement to develop a conceptual statewide plan no longer facilitates the coordination function among California transmission planners it was originally conceived to provide. For these reasons, the CAISO considers continued development of a conceptual statewide plan to be unnecessary, supplanted by Order No. 1000's regional and interregional processes, and not important to the entities that initially formed the CTPG and supported developing such a plan.

Eliminating the requirement to develop a conceptual statewide plan will not adversely affect the CAISO's transmission planning process or its participation in interregional coordination efforts because the conceptual statewide plan is merely one of a multitude of inputs into the CAISO planning process. Section 24 of the CAISO tariff still requires the CAISO to independently determine the need for transmission solutions (or alternatives to transmission) to meet identified reliability, economic, and public policy needs. CAISO tariff section 24.3.1(i) requires the CAISO to consider as input into the Uniform Planning Assumptions and Study Plan the planned facilities in interconnected balancing authority areas. CAISO tariff section 24.8.4 requires the CAISO to solicit from interconnected balancing authority areas information required by, or anticipated to be useful to, the CAISO in performing its transmission planning process. CAISO tariff sections 24.17 and 24.18 contain detailed tariff provisions governing the CAISO's participation and involvement in interregional planning processes.

These requirements and other tariff provisions ensure that the CAISO's transmission planning process will continue to involve extensive and meaningful interregional coordination with other entities and planning regions both inside and outside of California. Further, the planning and coordination activities required by Order No. 1000 are more formal, robust, and legally binding than the activities

the CAISO undertook in conjunction with the CTPG.²² Layering additional requirements on the CAISO like developing a conceptual statewide plan is unnecessary and not required by Order No. 890 or Order No. 1000. Further, absent the active participation of all statewide planning entities in developing a conceptual statewide plan, development of the plan amounts to nothing more than a unilateral CAISO exercise that does not add value to the planning process commensurate with the time and effort required to develop it. This defeats the purpose of the conceptual statewide plan as it was originally envisioned. The CAISO's and stakeholders' limited resources are better directed toward (1) focusing on, undertaking, and ensuring robust regional and interregional planning activities; (2) planning a grid that can support California's important public policy needs (e.g. 50 percent RPS and potentially 100 percent RPS giving pending legislation); and (3) addressing the transmission needs and significant operational challenges of a rapidly changing electricity landscape.

In response to ORA, the CAISO reaffirms its commitment to effective interregional coordination with neighboring balancing authority areas under the Order No. 1000 framework. Even though the interregional coordination process is still in its first biennial cycle, the CAISO believes significant achievements are emerging from this coordination effort.²³ Finally, the CAISO is willing to review and consider whether the revised process adequately addresses the CAISO's transmission system needs after completion of the current interregional coordination planning cycle.

For these reasons, the Commission should authorize the CAISO to remove from its tariff all provisions regarding the conceptual statewide plan.

²² As indicated above, the CTPG had no binding decision making authority, and the CAISO tariff precludes the CAISO from giving greater consideration to the CTPG or the conceptual statewide plan than it does to any other input in the transmission planning process. Now that neither the CTPG nor the former CTPG members are participating in the development of the conceptual statewide plan, it no longer serves as a valuable input into the CAISO's transmission planning process because not determinative of what the CAISO approves in the planning process and does not reflect the direct input of other transmission planners in the state.

²³ For example, the CAISO and other planning regions jointly worked together to facilitate and successfully obtain WECC Board approval of the WECC Anchor Data Set (ADS). The ADS, once in place, will significantly improve data consistency among the planning regions and WECC data sets. More recently, the CAISO has posted its study plan which outlines an approach to perform more detailed studies of the 50% out-of-state scenario, which are being performed as a continued 2016-2017 Transmission Plan study. Through coordination with the other Order No. 1000 planning regions, the CAISO has relied on their sharing of important regional information which supported the development of the 50% out-of-state study assumptions and scenario development.

III. EFFECTIVE DATE

The CAISO requests that the Commission issue an order accepting the proposed tariff revisions effective September 27, 2017, *i.e.*, 61 days from the date of this filing. The CAISO respectfully requests that the Commission grant all waivers necessary to support acceptance of the proposed tariff revisions effective September 27, 2017.

IV. COMMUNICATIONS

Under Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,²⁴ the CAISO requests that all correspondence, pleadings, and other communications regarding this filing be directed to :

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V. SERVICE

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

VI. CONTENTS OF FILING

In addition to this transmittal letter, this filing includes the following attachments:

Attachment A	Clean CAISO tariff sheets incorporating this tariff amendment;
Attachment B	Red-lined document showing the revisions in this tariff amendment;

²⁴ 18 C.F.R. § 385.203(b)(3).

- Attachment C June 22, 2017 Draft Final Proposal *Removing the Requirement to Develop an Annual Comprehensive Statewide Plan from the California ISO Tariff* and Stakeholder Comment Matrix; and
- Attachment D Memorandum to ISO Board of Governors entitled *Decision on Clean-Up Tariff Amendment Regarding Conceptual Statewide Plan*.

VII. CONCLUSION

For the reasons set forth above the CAISO respectfully requests that the Commission accept the tariff revisions proposed in this filing effective September 27, 2017.

Respectfully submitted,

By: Anthony Ivancovich

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Attachment A – Clean Tariff Records
Tariff Amendment Regarding Conceptual Statewide Plan
California Independent System Operator Corporation

24.2 Nature of the Transmission Planning Process

The CAISO will develop the annual comprehensive Transmission Plan and approve transmission upgrades or additions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan. In Phase 2, the CAISO will complete the comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission upgrades or additions specified in the comprehensive Transmission Plan. The Transmission Planning Process shall, at a minimum:

* * * *

24.3 Transmission Planning Process Phase 1

Phase 1 consists of the development of the Unified Planning Assumptions and Study Plan.

* * * *

24.4.1 Conducting Technical Studies

- (a) In accordance with the Unified Planning Assumptions and Study Plan and with the procedures and deadlines in the Business Practice Manual, the CAISO will perform, or direct the performance by third parties of technical studies and other assessments necessary to develop the comprehensive Transmission Plan, including such technical studies and other assessments as are necessary in order to determine Regional Transmission Facilities or other alternatives identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO's technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning

Assumptions and Study Plan are published, along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO.

* * * *

24.4.4 [Not Used]

* * * *

24.4.5 Determination of Needed Transmission Solutions

To determine which transmission solutions should be included in the comprehensive Transmission Plan, the CAISO will evaluate the conceptual transmission facilities identified by the CAISO during the Phase 2 studies, proposed solutions for reliability-driven needs, LCRIF project proposals, proposals required to maintain the feasibility of long term CRRs, proposed Network Upgrades pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential transmission solutions and non-transmission or generation alternatives proposed by interested parties. In determining which transmission solutions should be included in the comprehensive Transmission Plan the CAISO shall consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs.

Attachment B – Marked Tariff Records
Tariff Amendment Regarding Conceptual Statewide Plan
California Independent System Operator Corporation

24.2 Nature of the Transmission Planning Process

The CAISO will develop the annual comprehensive Transmission Plan and approve transmission upgrades or additions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan ~~and, in parallel, begin development of a conceptual statewide plan.~~ In Phase 2, the CAISO will complete the comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission upgrades or additions specified in the comprehensive Transmission Plan. The Transmission Planning Process shall, at a minimum:

* * * *

24.3 Transmission Planning Process Phase 1

Phase 1 consists of ~~two (2) parallel processes: (1) the development of the Unified Planning Assumptions and Study Plan; and (2) initiation of the development of the statewide conceptual transmission plan, as discussed in Section 24.4.4.~~

* * * *

24.4.1 Conducting Technical Studies

- (a) In accordance with the Unified Planning Assumptions and Study Plan and with the procedures and deadlines in the Business Practice Manual, the CAISO will perform, or direct the performance by third parties of technical studies and other assessments necessary to develop the comprehensive Transmission Plan, including such technical studies and other assessments as are necessary in order to determine ~~whether and how to include transmission solutions from the conceptual statewide transmission plan,~~ Regional Transmission Facilities, or other alternatives identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the

applicable Business Practice Manual, the CAISO will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO's technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning Assumptions and Study Plan are published, along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO.

* * * *

24.4.4 ~~[Not Used] Comment Period of Conceptual Statewide Plan~~

~~Beginning in Phase 1, the CAISO will develop, or, in coordination with other regional or sub-regional transmission planning groups or entities, including interconnected Balancing Authority Areas, will participate in the development of a conceptual statewide transmission plan that, among other things, may identify potential transmission solutions needed to meet state and federal policy requirements and directives. The conceptual statewide transmission plan will be an input into the CAISO's Transmission Planning Process. The CAISO will post the conceptual statewide transmission plan to the CAISO Website and will issue a Market Notice providing notice of the availability of such plan. In the month immediately following the publication of the conceptual statewide transmission plan, the CAISO will provide an opportunity for interested parties to submit comments and recommend modifications to the conceptual statewide transmission plan or alternative solutions including potential interstate transmission solutions and proposals for access to resources located in areas not identified in the conceptual statewide transmission plan.~~

* * * *

24.4.5 Determination of Needed Transmission Solutions

To determine which transmission solutions should be included in the comprehensive Transmission Plan,

the CAISO will evaluate the conceptual transmission facilities identified ~~in the statewide conceptual transmission plan or other solutions identified~~ by the CAISO during the Phase 2 studies, proposed solutions for reliability-driven needs, LCRIF project proposals, proposals required to maintain the feasibility of long term CRRs, proposed Network Upgrades pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential transmission solutions and non-transmission or generation alternatives proposed by interested parties. In determining which transmission solutions should be included in the comprehensive Transmission Plan, ~~(1)~~ the CAISO shall consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs, ~~and (2) the CAISO will not give undue weight or preference to the conceptual statewide plan or any other input in its planning process.~~

Attachment C – Draft Final Proposal with Stakeholder Comments Matrix
Tariff Amendment Regarding Conceptual Statewide Plan
California Independent System Operator Corporation



California ISO

Removing the Requirement to Develop an
Annual Conceptual Statewide Plan from the
California ISO Tariff

Draft Final Proposal

June 22, 2017

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1. Executive Summary

The purpose of this straw proposal is to initiate a stakeholder process to consider removing from the ISO tariff the requirement that the ISO develop a Conceptual Statewide Plan in the annual transmission planning process.

In 2010, the ISO adopted tariff language regarding development of the conceptual statewide plan as part of its participation in the California Transmission Planning Group (CTPG). Since 2010, the ISO has prepared and published the conceptual statewide plan as part of its annual planning process cycle. However, since 2010 several important changes have occurred that support removing this tariff requirement. First, the ISO and other western planning regions have implemented the interregional planning requirements of FERC Order No. 1000,¹ and this has superseded development of the conceptual statewide plan and essentially rendered the conceptual statewide plan redundant and unnecessary. Second, the CTPG is no longer functioning, and the CAISO is essentially developing the conceptual statewide plan on its own accord, which defeats the fundamental purpose of developing the conceptual statewide plan in the first place. Under these circumstances, there is little if any value in the ISO alone developing the conceptual statewide plan, and it detracts limited ISO resources from focusing efforts on the extensive and important planning activities they must otherwise undertake. Accordingly, the ISO recommends removing the requirement to develop the conceptual statewide plan from its tariff.

This straw proposal provides further context regarding the requirement to develop the conceptual statewide plan and the ISO's decision to propose removing from its tariff the requirement to prepare the conceptual statewide plan.

2. Background

In 2009, the CTPG was formed to provide a forum for conducting joint transmission planning and coordination in transmission activities to meet California's needs, consistent with the principles enunciated in FERC Order No. 890. Members of the CTPG were transmission providers with transmission planning responsibility and included the following entities:

- California Independent System Operator (ISO)
- Imperial Irrigation District (IID)
- Los Angeles Department of Water and Power (LADWP)
- Pacific Gas and Electric (PG&E)
- Southern California Edison (SCE)
- Southern California Public Power Authority (SCPPA)
- San Diego Gas and Electric (SDG&E)
- Sacramento Municipal Utility District (SMUD)

¹ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 100, 136 FERC ¶ 61,061 (2011), order on reh'g, Order No. 1000-A, 139 FERC ¶ 61,132, order on reh'g, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom*, *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

Draft Final Straw Proposal

- Transmission Agency of Northern California (TANC)
- Turlock Irrigation District (TID)
- Western Area Power Administration (Western)

The CTPG generally followed key principles intended to:

- Facilitate planning coordination among the ISO, publically owned utilities, and investor owned utilities and take advantage of planning windows for developing a transmission plan for California;
- Develop and implement cost-effective transmission system expansions to promote transmission reliability, efficiency, and accessibility on a voluntary basis and without pre-established institutional requirements that any expansions or upgrades be operated or controlled by a specific balancing authority or under any specific contract or tariff arrangement;
- Perform studies to evaluate the reliability impacts, costs, and benefits of proposed transmission projects;
- Meet NERC and WECC reliability standards; and
- Follow the nine FERC Order 890 planning principles.

In February 2011, as the result of a joint effort among its members, CTPG released the “2010 California Transmission Planning Group Statewide Transmission Plan – Final” that documented results from a significant study effort among the CTPG participants. Since publication of the initial report jointly prepared by the CTPG members, the ISO individually has prepared and released subsequent reports based on the individual transmission plans of the CTPG members.

3. California ISO Tariff

On June 4, 2010, the ISO filed a tariff amendment in FERC Docket No, ER10-1401 to implement a revised transmission planning process. In recognition of its involvement in and coordination with the CTPG, the ISO’s tariff amendment included proposed tariff language regarding the development of a conceptual statewide plan. Although the proposed tariff language did not expressly refer to the CTPG, the ISO proposed this requirement because it intended to work with the CTPG in developing the conceptual statewide plan on an annual basis. As the ISO indicated in its transmittal letter, “[f]or the 2010/2011 planning cycle the ISO is working with the [CTPG] for this purpose.” The ISO added that “[t]he conceptual statewide plan developed by the CTPG, with which the ISO is collaborating, will merely be one of many inputs into the ISO’s planning process.” The ISO requested that the Commission acknowledge its participation in the CTPG and approve using the conceptual statewide plan developed by the CTPG as an input into the ISO’s planning process.

In its order approving the ISO’s revised transmission planning process, FERC found the ISO’s “participation in CTPG studies acceptable” and “accept[ed] the proposed RTPP tariff provisions concerning the development of the conceptual statewide plan” subject to certain tariff modifications.²

² *California Independent System Operator Corporation*, 133 FERC ¶61,224 (2010).

The ISO tariff requires the ISO to develop an annual comprehensive Transmission Plan through a three phase process.³ Tariff section 24.4.4 contains provisions regarding the development of and comment on the conceptual statewide plan. Beginning in Phase 1 of the planning process the ISO is required to either develop or, in coordination with other regional or sub-regional transmission planning groups or entities, including interconnected Balancing Authority Areas, participate in the development of a conceptual statewide transmission plan.⁴ The conceptual statewide transmission plan may, among other things, identify potential transmission solutions needed to meet state and federal policy requirements and directives. The tariff contemplates that the conceptual statewide transmission plan will be an input into the ISO's Transmission Planning Process.⁵ The ISO must post the conceptual statewide transmission plan to the ISO Website and issue a Market Notice providing notice of the availability of such plan. In the month immediately following the publication of the conceptual statewide transmission plan, the ISO provides an opportunity for interested parties to submit comments and recommend modifications to the conceptual statewide transmission plan or alternative solutions, including potential interstate transmission solutions and proposals for access to resources located in areas not identified in the conceptual statewide transmission plan.⁶

To determine which transmission solutions should be included in the comprehensive Transmission Plan, the ISO evaluates, among other possible solutions, the conceptual transmission facilities identified in the conceptual statewide plan. In determining which transmission solutions it should include in the comprehensive Transmission Plan, (1) the ISO must consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs, and (2) the ISO cannot give undue weight or preference to the conceptual statewide plan or any other input in its planning process.⁷

4. Developing the Conceptual Statewide Plan from 2011 through 2016

Since January 2011, the ISO has prepared a conceptual statewide plan in parallel with preparing its annual comprehensive Transmission Plan. During the initial two years of developing the conceptual statewide plan, CTPG members actively engaged with the ISO in preparing the document. However, following issuance of Order No. 1000, that required the formation of formal Planning Regions implementation of formal interregional planning processes, the focus of California's transmission providers turned to implementing the requirements of Order 1000. As a result, members' participation in CTPG and engagement in developing the conceptual statewide plan faltered predominately because the non-ISO CTPG members have joined the WestConnect planning region. Since their participation in WestConnect's regional and interregional planning efforts, these entities have focused their coordination activities through WestConnect's processes.

³ California ISO Tariff § 24.2; http://www.caiso.com/Documents/ConformedTariff_asof_Apr10_2017.pdf

⁴ Id. at § 24.3

⁵ Id. at § 24.4.4

⁶ Id.

⁷ Id. at § 24.4.5

Between 2011 and 2014, the ISO prepared the conceptual statewide plan based on information available from the transmission plans developed by each of the CTPG members. However, once fully operational, WestConnect prepared their initial regional plan which documented the plans of its members. In turn, the California ISO utilized information from WestConnect's 2014 and 2015 biennial transmission plans to solely and unilaterally prepare the conceptual statewide plans for 2014 and 2015. The ISO will continue to use Information from WestConnect's regional plans to develop future conceptual statewide plans until such time as the California ISO is no longer required to develop the conceptual statewide plan. No other entity that was a member of CTPG has coordinated with the ISO in developing recent conceptual statewide plans.

5. FERC Order No. 1000 Supplants the Need for the Conceptual Statewide Plan

In July 2011, FERC issued Order No. 1000 on "Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities." The order required public utility transmission providers to make filings that demonstrated they were a qualified regional planning entity, as defined in the order, and modifying their tariffs, as needed, to meet the regional planning provisions of the order. It also required public utility transmission providers to form planning regions and for the planning regions to develop and file common tariff provisions with each of its neighboring planning regions to define a process whereby each pair of adjacent regions can identify and jointly evaluate potential inter-regional transmission projects that meet their transmission needs more cost-effectively or efficiently than projects in their regional plans. As a result of Order 1000, four regional planning groups were formed in the west:

- ColumbiaGrid
- California ISO
- Northern Tier Transmission Group (NTTG)
- WestConnect

Through collaborative efforts, the four planning regions developed and adopted joint tariff language that they filed with FERC. By June 2015 FERC had accepted all filings submitted by the planning regions.⁸ Since implementing the interregional planning provisions, the planning regions, which include former members of CTPG, have been proactively engaged in formal interregional coordination activities in accordance with Order No. 1000.

As shown in Table 1, since the Order No. 1000 planning regions were formed, almost all of the CTPG members are now members of either the California ISO or WestConnect planning regions. The planning regions have also been proactively engaged in formal, tariff-based interregional coordination activities, which includes sharing planning data and other information. Commensurate with the implementation of formal regional and interregional planning activities, the ISO has experienced a continued decrease in CTPG member engagement in the development of the conceptual statewide plan. Although the ISO provides the annual draft conceptual statewide plan to CTPG members for review, CTPG members generally have not responded. Recently, no CTPG members have assisted the ISO in actually developing the

⁸ *Public Service Company of New Mexico, et al.*, 149 FERC ¶61,247 (2014), order on compliance, 151 FERC ¶61,189 (2015).

conceptual statewide plan. The ISO believes the primary reason for the lack of CTPG member involvement is that the formal planning regions have taken over coordination and planning activities, both regional and interregional, and CTPG members are participating in those formal processes. In other words, the Order No. 1000 processes have supplanted CTPG. The ISO believes this is appropriate and consistent with the intent of Order 1000.

Table 1 - CTPG Planning Region Affiliation

CTPG Member	Order 1000 Planning Region
California ISO	California ISO
IID	WestConnect
LADWP	WestConnect
PG&E	California ISO
SCE	California ISO
SCPPA	No affiliation
SDG&E	California ISO
SMUD	WestConnect
TANC	WestConnect
TID	WestConnect
Western	WestConnect

6. Conclusion

Based on the lack of meaningful engagement from stakeholders through CTPG and the formation of Order No. 1000 planning regions that have assumed responsibility for regional and interregional planning, the conceptual statewide plan set out in the ISO tariff no longer facilitates the coordination function it was originally conceived to provide. CTPG is no longer functioning as planning entity or coordination body it has not held a meeting in four years, has not scheduled meetings, has no current chairman, and is no longer represented at TEPPC or other regional and/or interregional planning entities. As such, the ISO considers continued preparation of the conceptual statewide plan as unnecessary, supplanted by required Order No. 1000 regional and interregional process, and not important to the entities that initially formed the CTPG and supported development of a conceptual statewide plan. Eliminating the requirement to develop a conceptual statewide plan will not adversely affect the ISO's planning process. The tariff still requires the ISO to determine the need for transmission solutions (or alternatives to transmission) to meet identified reliability, economic, and public policy needs. The tariff still requires the ISO to follow FERC approved processes for regional and interregional planning, in particular planning and coordination activities that are more formal, robust, and legally binding than the activities that the ISO undertook in conjunction with the CTPG. Absent the active participation of all statewide planning entities in developing a conceptual statewide plan, development of the plan amounts to little more than a unilateral ISO exercise. The ISO's limited resources are better directed toward focusing on, undertaking, and ensuring robust regional and interregional planning activities, meeting important public policy needs, and effectively addressing the needs significant operational challenges of a rapidly changing system.

7. Recommendation

The ISO recommends filing a tariff amendment to eliminate all tariff provisions in section 24 of the California ISO tariff pertaining to the conceptual statewide plan. Specifically, the ISO proposes to eliminate tariff section 24.4.4 and references to the conceptual statewide plan in tariff sections 24.2, 24.3, 24.4.1(a), and 24.4.5. Redlines of the recommended tariff are included in Attachment 1. BPM modifications will be proposed through the ISO's BPM Change Management Process.

8. Stakeholder Process

The ISO has set out a stakeholder process schedule in Table 2 and appreciates stakeholder participation in this effort. The straw proposal was posted on the ISO's website for comment on May 18, 2017 and a stakeholder call on the straw proposal was held on May 25, 2017. All comments received have been included in stakeholder comment matrix. The comment matrix and the individual comments received are posted on the ISO's website.⁹ No stakeholder objected to removing the conceptual statewide plan provisions from the tariff.

Draft Straw Proposal	May 18, 2017	Post straw proposal
	May 25, 2017	Stakeholder call on straw proposal
	June 8, 2017	Stakeholder comments due on SP
Draft final proposal	June 22	Post draft final proposal
	June 29	Stakeholder comments due on DFP

9. Next Steps

As a final step, stakeholders are invited to submit comment on the ISO's final draft straw proposal. Comments are due June 29, 2017 and should be submitted to InitiativeComments@caiso.com.

⁹ <http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=20B4D480-C868-43F7-AFD2-F21CD347B9AE>

Attachment 1

Redline Version of ISO's Tariff

24.2 Nature of the Transmission Planning Process

The CAISO will develop the annual comprehensive Transmission Plan and approve transmission solutions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan, ~~and, in parallel, begin development of a conceptual statewide plan.~~ In Phase 2, the CAISO will complete the comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission solutions specified in the comprehensive Transmission Plan. The Transmission Planning Process shall, at a minimum:

* * *

24.3 Transmission Planning Process Phase 1

~~Phase 1 consists of two (2) parallel processes: (1) the development of the Unified Planning Assumptions and Study Plan; and (2) initiation of the development of the statewide conceptual transmission plan, as discussed in Section 24.4.4.~~

24.3.1 Inputs to the Unified Planning Assumptions and Study Plan

The CAISO will develop Unified Planning Assumptions and a Study Plan using information and data from the approved Transmission Plan developed in the previous planning cycle. The CAISO will consider the following in the development of the Unified Planning Assumptions and Study Plan:

- (a) WECC base cases, as may be modified for the relevant planning horizon;
- (b) Transmission solutions approved by the CAISO in past Transmission Planning Process cycles, including solutions which the CAISO has determined address transmission needs in the comprehensive Transmission Plan developed in the previous planning cycle;
- (c) Category 2 policy-driven transmission solutions from a prior planning cycle as described in Section 24.4.6.6;
- (d) Location Constrained Resource Interconnection Facilities conditionally approved under Section 24.4.6.3;

- (e) Network Upgrades identified pursuant to Section 25, Appendix U, Appendix V, Appendix Y or Appendix Z relating to the CAISO's Large Generator

including such technical studies and other assessments as are necessary in order to determine ~~whether and how to include transmission solutions from the conceptual statewide transmission plan,~~ Regional Transmission Facilities, or other alternatives identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO's technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning Assumptions and Study Plan are published, along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO;

* * *

24.4.4 ~~[NOT USED] Comment Period of Conceptual Statewide Plan~~

~~Beginning in Phase 1, the CAISO will develop, or, in coordination with other regional or sub-regional transmission planning groups or entities, including interconnected Balancing Authority Areas, will participate in the development of a conceptual statewide transmission plan that, among other things, may identify potential transmission solutions needed to meet state and federal policy requirements and directives. The conceptual statewide transmission plan will be an input into the CAISO's Transmission Planning Process. The CAISO will post the conceptual statewide transmission plan to the CAISO Website and will issue a Market Notice providing notice of the availability of such plan. In the month immediately following the publication of the conceptual statewide transmission plan, the CAISO will provide an opportunity for interested parties to submit comments and recommend modifications to the conceptual statewide transmission plan or alternative solutions including potential interstate transmission solutions and proposals for access to resources located in areas not identified in the conceptual statewide transmission plan.~~

24.4.5 Determination of Needed Transmission Solutions

To determine which transmission solutions should be included in the comprehensive Transmission Plan, the CAISO will evaluate the conceptual transmission facilities identified ~~in the statewide conceptual transmission plan or other solutions identified~~ by the CAISO during the Phase 2 studies, proposed solutions for reliability-driven needs, LCRIF project proposals, proposals required to maintain the feasibility of long term CRRs, proposed Network Upgrades pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential transmission solutions and non-transmission or generation alternatives proposed by interested parties. In determining which transmission solutions should be included in the comprehensive Transmission Plan, ~~(1) the CAISO shall consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs, and (2) the CAISO will not give undue weight or preference to the conceptual statewide plan or any other input in its planning process.~~



No	Comment Submitted	CAISO Response
1	Office of Ratepayer Advocates (ORA) Submitted by:	
1a	<p>The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC), with a statutory mandate to obtain the lowest possible rates for utility services consistent with reliable and safe service levels, and the state's environmental goals. The following are ORA's comments and recommendations on the California Independent System Operator Corporation's (CAISO) proposal to remove, from its tariff, the requirement to develop an annual comprehensive statewide plan as part of the CAISO's annual transmission planning process (TPP).</p> <p>BACKGROUND</p> <p>The Federal Energy Regulatory Commission (FERC) requires transmission owners who are members of Independent System Operators or Regional Transmission Operators to engage in an open and transparent transmission planning process at both the local, regional and interregional levels. FERC Order No. 890 also requires that transmission customers and stakeholders have the opportunity to participate in transmission owners' transmission local planning processes and to weigh in on local planning issues embedded within their service areas. To this end, the CAISO has facilitated the coordination of a conceptual statewide transmission plan (CSTP) as a regional plan, and as part of the CAISO's TPP. The CTSP identifies potential transmission solutions needed to meet state and federal policy requirements within California. The CSTP was originally prepared by the California Transmission Planning Group (CTPG), consisting of the Imperial Irrigation District, Los Angeles Department of Water and Power, Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Public Power Authority, San Diego Gas & Electric Company (SDG&E) and Sacramento Municipal Utility District. According to the CAISO, implementation of FERC Order No. 1000, which outlined regional and interregional planning requirements, has resulted in duplicative regional planning coordination requirements in California. FERC Order No. 1000, issued after prior FERC orders concerning local and regional planning requirements, refined the existing regional planning requirements and mandated the establishment of planning regions to develop regional plans. FERC Order No. 1000 identified the California planning regions as the CAISO</p>	<p>The ISO is committed to effective interregional coordination with neighboring BAAs under the Order No. 1000 framework. Even though the interregional coordination process is still in its first biennial cycle, the ISO believes that there are significant achievements that are of great importance to the ISO emerging from this coordination effort. For example, the ISO and other planning regions jointly worked together to facilitate and successfully achieve approval of the WECC Anchor Data Set (ADS) by the WECC Board. The ADS, once in place, will significantly improve data consistency among the planning regions and WECC data sets. More recently, ISO has posted its study plan which outlines an approach to perform more detailed studies of the 50% out-of-state scenario which are being performed as a continued 2016-2017 Transmission Plan study. Through coordination with the other planning regions, the ISO has relied on their sharing of important regional information which supported the development of the 50% out-of-state study assumptions and scenario development.</p> <p>Finally, the ISO is willing to review and consider whether the revised process adequately addresses the CAISO's controlled transmission system, as the current interregional coordination planning cycle is completed.</p>



No	Comment Submitted	CAISO Response
	<p>and the WestConnect. The CAISO planning region members are PG&E, SCE and SDG&E. The remaining original CSTP members are now associated with the WestConnect planning region.</p> <p>FERC Order No. 1000 also mandates that all public utility transmission providers comply with the following requirements through a regional and interregional transmission planning process: (1) exchanging planning data and information; (2) determining if regional and interregional facilities could address transmission needs “more efficiency than separate local or regional facilities,” and (3) identifying and evaluating any proposed transmission facilities that would be located within two or more regions.</p> <p>Starting in 2014, CAISO incorporated the WestConnect’s regional plan into the CSTP. According to the CAISO, participation in the CSTP development process declined after 2014, and no entities other than the CAISO have contributed to the CSTP development in recent years. All the original participants of the CSTP that are not part of the CAISO planning region now coordinate their regional transmission issues through the WestConnect planning process, rather than the CSTP.</p> <p>The CAISO operates and plans the majority of California’s energy grid, and its potential projects will either support the majority of the future load in California and or meet the majority of the energy policy objectives for California. The CAISO correctly notes that even with the proposed elimination of the requirement to develop a CSTP, the CAISO must still adhere to “FERC approved processes for regional and interregional planning, in particular planning and coordination activities that are more formal, robust, and legally binding than the activities that the ISO undertook in conjunction with the CTPG.” ORA agrees that the CSTP no longer serves its intended purpose.</p> <p>ORA recommends reevaluating the impact of the proposed tariff revision after the completion of the first interregional TPP cycle following the proposed tariff revision. The reevaluation should determine whether the revised process adequately addresses the CAISO’s controlled transmission system, including whether California-specific transmission needs and resources are adequately identified and incorporated into the interregional transmission planning process.</p>	



2	The Bay Area Municipal Transmission group (BAMx) Submitted by:	
2a	Upon reviewing the CAISO proposal, "Removing the Requirement to Develop an Annual Comprehensive Statewide Plan from the California ISO Tariff Straw Proposal," Southern California Edison concurs with the proposal's conclusions and the recommendation to remove the Conceptual Statewide Plan from the California ISO Tariff.	The comment has been noted.

**Attachment D – Board of Governors Memorandum
Tariff Amendment Regarding Conceptual Statewide Plan
California Independent System Operator Corporation**



Memorandum

To: ISO Board of Governors

From: Keith Casey, Vice President, Market & Infrastructure Development

Date: July 19, 2017

Re: **Decision on tariff amendment regarding conceptual statewide plan**

This memorandum requires Board action.

In 2010, the ISO implemented tariff provisions requiring it to develop a conceptual statewide plan as part of its annual transmission planning process. These provisions were a component of the ISO's revised transmission planning process (RTPP) tariff amendment approved by the Federal Energy Regulatory Commission. The ISO adopted this requirement in conjunction with its participation in the California Transmission Planning Group (CTPG). Since 2010, the ISO has prepared and published the conceptual statewide plan as part of its annual planning process cycle; however, several important changes have occurred that support removing this tariff requirement, including FERC Order No. 1000 regional planning requirements that have supplanted the statewide conceptual plan's purpose.

Accordingly, Management recommends removing the tariff requirement to develop the conceptual statewide plan.

Moved, that the ISO Board of Governors approves Management's request to modify the tariff to remove the requirement to develop a conceptual statewide plan; and

Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposed tariff change.

BACKGROUND

In 2009, transmission planners and load serving entities in California formed the CTPG as a forum to informally coordinate on transmission planning activities to meet California's policy needs. The ISO and others actively participated in this effort. In February 2011, the CTPG released the "2010 California Transmission Planning Group Statewide Transmission Plan – Final" that documented results from a significant study effort among the CTPG participants.

On June 2, 2010 the ISO filed a tariff amendment to implement a revised transmission planning process. In recognition of its involvement in and coordination with the CTPG, the ISO proposed tariff language requiring the development of a conceptual statewide plan. Although the proposed tariff language did not expressly refer to CTPG, the ISO proposed this requirement because it intended to work with the CTPG to jointly develop the conceptual statewide plan on an annual basis. In its order approving the RTPP, FERC found the ISO's participation in CTPG planning process acceptable and approved the proposed tariff provisions regarding the development of the conceptual statewide plan. FERC recognized that the conceptual statewide plan would be one input into the ISO's transmission planning process.

The ISO's experience developing the conceptual statewide plan and implementing FERC Order No. 1000

Since January 2011, the ISO has prepared a conceptual statewide plan in parallel with preparing its annual comprehensive transmission plan. During the first two years, CTPG members actively engaged and collaborated with the ISO in preparing the document.

In July 2011, FERC issued Order No. 1000 which required, among other things, that every public utility participate in a regional transmission planning process that produces a regional transmission plan. Accordingly, the ISO and other western planning regions have implemented the regional planning and interregional coordination requirements of Order No. 1000. These efforts have supplanted joint development of the conceptual statewide plan and essentially rendered it unnecessary. As a result, the CTPG is no longer functioning and its members are instead focused on required regional planning and interregional coordination efforts that have, in recent years, resulted in the ISO developing the conceptual statewide plan by itself. Since the conceptual statewide plan no longer facilitates the coordination function it was intended to provide, there is little, if any, value in the ISO alone continuing to develop it, as the requirement unduly diverts ISO and stakeholder resources and efforts away from important regional and interregional activities.

Position of the parties

Management prepared a straw proposal that discussed the history of the conceptual statewide plan requirement, the ISO's experience in developing the plan, and the reasons Management was proposing to remove from its tariff the requirement to prepare the plan. The ISO posted the straw proposal on its website on May 18, 2017 and conducted a stakeholder call regarding the straw proposal on May 25, 2017. The ISO posted a final draft straw proposal on its website on June 22, 2017. No stakeholder objected to removing the conceptual statewide plan provisions from the tariff.

CONCLUSION

Based on the lack of meaningful engagement of CTPG members in the development of the conceptual statewide plan, and the assumption of responsibility for regional planning and interregional coordination by the planning regions through the implementation of

Order No. 1000, Management believes the conceptual statewide plan set out in the tariff no longer provides the coordination function it was originally conceived to provide.

Eliminating the requirement to develop a conceptual statewide plan will not adversely affect the ISO's transmission planning process, and instead will allow ISO and industry resources to be directed toward robust regional planning and interregional coordination activities, meeting important public policy needs, and effectively addressing the needs significant operational challenges of a rapidly changing system.