

Stakeholder Comments Template

Approval of Transmission Elements Under \$50 Million Initiative

Straw Proposal posted May 31, 2012

Please submit comments (in MS Word) to regionaltransmission@caiso.com no later than the close of business on June 14, 2012.

Submitted by	Company	Date Submitted
Peter Bray, PTB2@pge.com, 415-973-3110	Pacific Gas and Electric Company	June 14, 2012

PG&E appreciates the opportunity to participate in the CAISO's stakeholder process concerning Approval of Transmission Elements Under \$50 Million. These brief comments are PG&E's initial thoughts on the topics presented in the CAISO's May 31 Straw Proposal and June 7 stakeholder conference call. PG&E looks forward to discussion of this topic at the July meeting of the CAISO Governing Board.

As a general matter, PG&E supports the timely construction of transmission facilities needed to maintain reliability of the transmission system. For this reason, PG&E does not oppose the CAISO's proposed tariff changes.

Per the Straw Proposal, "the ISO will propose modifications to the Business Planning Manual for Transmission Planning to address the schedule for the accelerated competitive solicitation process and other stakeholder activities." As described in the current tariff, projects open to competition include a category of reliability projects that meet some threshold amount of economic or policy-driven characteristics. Currently, CAISO staff identifies reliability projects in the October timeframe, with policy and economic analyses generally completed in December.

The Straw Proposal was unclear on the timing for the CAISO to make the determination that a less-than-\$50 million reliability project had policy or economic benefits. On the stakeholder conference call, CAISO staff clarified that if it identifies an "urgent need" for any of the less-than-\$50 million reliability projects identified in October, CAISO staff would be able to perform analyses for such project immediately, to determine if they had policy or economic advantages exceeding stated threshold levels. If such advantages exceeding threshold levels were found, CAISO staff could then proceed with a competitive solicitation process, without waiting for Board approval.

PG&E suggests that the July Board presentation clarify this timing aspect of the proposal.