



Western Independent Transmission Group (WITG)

August 9, 2011

To the CAISO

Via Email: TPP-GIP@caiso.com

Re: Comments of the GIP Straw Man Proposal

The Western Independent Transmission Group (WITG) is pleased to submit these comments in regard to the generation interconnection process (GIP) straw man proposal. WITG supports the following elements of the proposal:

- a) Develop a more comprehensive and holistic approach to the transmission planning (TPP) and generation interconnection processes.
- b) Maximize the designation of new incremental transmission facilities as Policy Lines that will foster the development of renewable generation.
- c) Lessen the reliance on the LGIP process that harms ratepayers by stifling competitive pressures to bring down transmission costs.
- d) Increase the approval of transmission access charge (TAC) funded lines that are open to a competitive process

The CAISO Tariff was conditionally accepted by the FERC regarding TPP, including the method of how transmission lines are incorporated into the TPP—partially based on line categorization. Currently, large generation interconnection process (LGIP) lines have dominated the TPP landscape. WITG has expressed its concern in prior comments to both the CAISO and the FERC, and has made public comment at CAISO Governing Board meetings that if the approved LGIP-categorized lines solve all of the Policy goals, then the set of realized Policy lines is empty.

On the other hand, WITG believes that the straw man proposal offers hope that the CAISO is seeking an approach that would allow for Policy lines, and in so doing, reduce consumer costs through competitive processes. The following statements in the straw proposal we find especially encouraging:

1) Page 4: “The new TPP places ISO planners in the central role of producing an annual comprehensive plan that addresses all categories of needs for the ISO balancing authority area (“BAA”). Once the comprehensive plan goes to the ISO Board for approval, the ISO conducts a competitive process for independents and incumbents to build and own rate-based policy-driven and economic projects.”

2) Page 6: “Integrate the GIP and the TPP as far as possible so that decisions to approve new rate-based transmission can be based on a comprehensive planning



approach that addresses all the needs of the transmission system holistically and thereby makes most cost-effective use of ratepayer funding.”

3) Page 6: “Rely more on the TPP and less on the GIP as the venue to identify and approve new rate-based transmission.”

4) Page 7: “The ISO’s annual comprehensive transmission plan will include Category 1 and Category 2 policy-driven transmission elements. Once the ISO Board approves the plan, the Category 1 elements to be paid for by transmission ratepayers through TAC and will be built and owned either by a PTO or by an independent transmission developer, pursuant to existing tariff provisions adopted as part of the ISO’s 2010 revised TPP.”

Therefore, we encourage the CAISO to strongly pursue the path of designating more transmission elements that serve the needs of upstream renewable generators to be Policy lines, and open to competition.

Sincerely,

Gary B. Ackerman
Executive Director