

Memorandum

To: ISO Board of Governors

From: Armando Perez, Vice President of Grid Planning and Infrastructure Development

Date: August 29, 2007

Re: Transmission Maintenance Coordination Committee Activity Update

This memorandum is for Board information only.

EXECUTIVE SUMMARY

This memo is intended to keep the Board informed of recent activities of the Transmission Maintenance Coordination Committee (TMCC). The TMCC met on July 19, 2007. The following significant topics were addressed:

- Briefing on Congestion Revenue Rights (CRR) and outage criteria
- NERC Reliability Standards
- Encina Substation and nearby Line Outages on 7/3/07

The next meeting of the TMCC is scheduled for October 18, 2007 and Official minutes of the July 19, 2007 TMCC meeting will be approved at that time.

BACKGROUND

Briefing on Congestion Revenue Rights (CRRs)

During the July 19, 2007 TMCC meeting the ISO provided the TMCC with an overview of where the CRR Outage stakeholder process was at that point in time. This process is to help the ISO define which outages to transmission facilities have a significant effect upon CRR Revenue adequacy. This overview included the following:

- 1. The CAISO made Compliance Filing on this issue with FERC by COB July 20, 2007.
- 2. The Compliance Filing will not include new tariff language associated with outage scheduling to support the monthly release of Congestion Revenue Rights.
- 3. The transmittal letter for this Compliance Filing indicated the CAISO is working with the TMCC as a stakeholder in developing outage scheduling language in the Business Practice Manuals (BPMs).

- 4. The details of the outage scheduling and CRRs will be provided in the future via two BPMs. A CRR BPM and an Outage BPM.
- 5. The CRR BPM will specify how the CAISO will account for outages in the network model used for releasing Monthly CRRs, including outage requests received 30 days in advance of the first day of the month in which the outages will occur, as well as outages scheduled with shorter lead times and unplanned outages. It will also list the kinds of facilities affected and will point to CAISO Operating Procedures. More generally the CRR BPM will cover all aspects of the CAISO's rules and processes for releasing CRRs.
- 6. The Outage BPM will include the schedules, and the process for outage management, including the 30-day-rule and how it is applied.

After discussion of the above overview the TMCC planned to continue to interact with the CAISO CRR group to try and bring more balance to their concerns and the CAISO CRR group concerns when scheduling Maintenance outages.

NERC Reliability Standards

The Committee addressed the 83 recently FERC approved NERC Reliability Standards (March 15, 2007) and their affect on the CAISO, Participating Transmission Owners, and the ISO Transmission Maintenance Standards. Only seven Standards of the 83 appear to affect this group. Most participants indicated they were in compliance with the applicable Reliability Standards. The general consensus of the Committee was that the ISO Transmission Maintenance Standards would serve to satisfy many of the maintenance related Reliability Standards required by NERC because they are more stringent.

Encina Substation and Nearby Line Outages on 7/3/07

San Diego Gas and Electric (SDGE) provided a brief summary of the July 3, 2007 morning outages that occurred in and around Encina substation. The Encina 138kV East bus went out first and one hour later the 138kV West bus had an outage. It appeared that both 138kV busses had outages due to heavy fog conditions. SDGE indicated additional cleaning of insulators was occurring, the existing insulators might be replaced with polymers, and Encina was being evaluated for additional upgrades to minimize the effects of fog.

During the Encina outages, a plane taking off from Palomar Airport in the foggy weather crashed into a SDGE transmission corridor leading into Encina taking out a 230kV line, a 138kV line, and a 12kV line. Although the structures were partially damaged, no structures collapsed and all lines were restored to service by the end of the week. Approximately 1700 distribution customers experienced outages due to the 12kV line outage. The plane crash was reported as being the cause of two fatalities.

Details of the above three topics are available after the TMCC approves the Official minutes for the July 19, 2007 TMCC meeting. Official minutes for TMCC meetings appear at this link: <u>http://www.caiso.com/pubinfo/BOG/minutes/calendar.cqi</u>