

Memorandum

To: ISO Board of Governors

From: Laura Manz, Vice President of Market and Infrastructure Development

Date: February 3, 2009

Re: *Transmission Maintenance Coordination Committee Activity Update*

This memorandum does not require Board action.

EXECUTIVE SUMMARY

The purpose of this memo is to keep the ISO Board of Governors informed of recent activities of the Transmission Maintenance Coordination Committee (TMCC), which met on January 15, 2009 and addressed the following significant topics:

1. California Public Utilities Commission (CPUC) proposed general order for substation inspections and maintenance;
2. Recent TMCC experiences with North American Electric Reliability Corporation (NERC) reliability standards;
3. TMCC membership candidate search;
4. Major grid events concerning Bonneville Power Administration (BPA), and Los Angeles Department of Water and Power (LADWP) from October through December 2008; and
5. Congestion revenue rights.

The TMCC members scheduled their next meeting for April 16, 2009 and at that meeting will approve the official minutes of the January 15, 2009 TMCC meeting. Minutes for TMCC meetings appear at the following link:

<http://www.caiso.com/pubinfo/BOG/documents/grid/mcc/archives.html>.

CPUC proposed general order for substation inspections and maintenance

International Brotherhood of Electrical Workers Local Union 1245 (IBEW 1245) representative Landis Marttila briefed the TMCC on the status of the working group developing a draft general order to address substation inspections and maintenance under the jurisdiction of the CPUC. A substation working group meeting was held on December 18, 2008 in San Francisco and a draft general order of the results of that meeting was sent out for review. The substation working group is scheduled to meet again on January 21, 2009 in Los Angeles from 10:00 AM to 3:00 PM to bring the CPUC closer to a final document. Currently, the main purpose of the draft general order is to ensure electric substations are inspected and maintained in a manner to protect the safety of workers and the public and to ensure electrical service reliability.

Recent TMCC experiences with NERC reliability standards

Western Area Power Administration Maintenance Manager Charles Cooper stated audits scheduled by the Western Electricity Coordinating Council (WECC) in October and November of 2008 have been moved to May 2009 because of WECC's current work backlog.

BPA's Jim Jackson suggested recent personnel changes at WECC may be one reason for increased audit delays. WECC asked BPA to deposit into escrow a large amount of money, to be forfeited if, during the next eight years, BPA should experience a *grow-in* tree incident (tree grows into and violates a pre-determined electrical clearance zone). The *grow-in* would be similar to the tree contact on a 230kV BPA transmission line that occurred on June 8, 2008, in which BPA now does the following things to help ensure there are no more *grow-in* incidents:

- Provide a specified number of quality assurance quality control classes for patrolman
- Require supervisor foremen to review rights of way more often
- Walk the rights of way when they can't be driven
- Involve more contractors in rights of way inspection and maintenance work

Mr. Jackson expressed that BPA objects to the removal of *Clearance 1* in the *NERC Reliability Standard FAC – 003* rewrite because it no longer provides BPA a legal recourse for clearing vegetation to a ground cover height. *Clearance 1* compels the landowner to let utilities remove the vegetation and current contracts allow BPA to remove orchards if they exceed contract height limits. BPA is concerned with abandoned Christmas tree farms because they pose a grow in hazard. BPA also objects to the 48 hour reporting time frame because, if the time frame falls on a holiday weekend, WECC staff is not available for up to 84 hours to respond to the report. BPA suggests two business days for the reporting timeframe.

LADWP's David Haerle indicated they still permit low-level farming and Christmas tree farming.

Mr. Cooper indicated they have a current policy to buy back orchards.

Western Wind Energy's Steve Mendoza asked if privately owned wind generation farms were exempt from the NERC or WECC Reliability Standards. Most of the members indicated they thought the same rules applied no matter what type of generation was used or ownership it was under. The ISO staff volunteered to look into this and get back to Mr. Mendoza.

TMCC Membership Candidate Search

ISO Grid Asset Transmission Engineer Tom Halford informed the TMCC that approximately 50% of the members need to reapply for membership or new members would be needed to replace those retiring or leaving the organization they represented. Members whose terms are expiring in April 2009 are Michael Palusso of Southern California Edison, Landis Marttila of IBEW 1245, Jesse Ante of the CPUC, Jamie Patterson of the CEC, and Steve Mendoza of Western Wind Energy. Management issued a market notice on January 16, 2009, to solicit TMCC voting member candidates. Management will then provide an update to the Board on the status of this search at the Board's February 10-12, 2009 meeting. This Board update will be followed by Management's acceptance of all candidate applications by February 20, 2009 and determination of qualified candidates by February 27, 2009. In late March 2009, Management will seek Board approval of Management's recommended candidates for the TMCC open memberships.

Major Grid Events

Mr. Jackson indicated BPA's Monroe grid control center had to be abandoned during Christmas week because of excessive snow loads on the building roof. Operational control was transferred to BPA's Detmer grid control center without incident until the snow was removed from the Monroe building roof. They are currently more diligent in monitoring snow loads.

Mr. Haerle indicated all of the control wires were burned in trenches within the Sylmar station during the November 2008 Sylmar area fires. Embers from the fires were substantial enough to catch the redwood covering of the control wire trenches on fire and take the station out of service. The trench covers have since been replaced with steel covering. Light aggregate covers were not accepted as a replacement because of their brittle characteristics and fiberglass covers were not acceptable because of an expected negative reaction to the sun and susceptibility to catching fire.

Congestion revenue rights

ISO Senior Grid Asset Engineer Jim McHan briefed TMCC participants on the *Business Practice Manual for Outage Management* (Version 6) and the *Business Practice Manual for Congestion Revenue Rights* (Version 6) regarding the 30 day rule. Section 4.2.1.1 of the *BPM for Outage Management* (Version 6) clarifies that if the 30th day falls on a non-ISO business day, then the planned outage request is due on or before the last business day, at least 30 days prior to the month the outage is to begin. Section 10.3 of the *BPM for Congestion Revenue Rights* adds language on how to calculate:

- Congestion revenue rights when 30 day rule outages are not available for the first month when the Market Redesign and Technology Upgrade goes live
- Congestion revenue rights considering the approved outages thereafter

Mr. McHan referred them to the following website location for BPM manuals:
<http://www.caiso.com/1840/1840b2cc23580.html> .