



Briefing on 2009 ISO Transmission Plan

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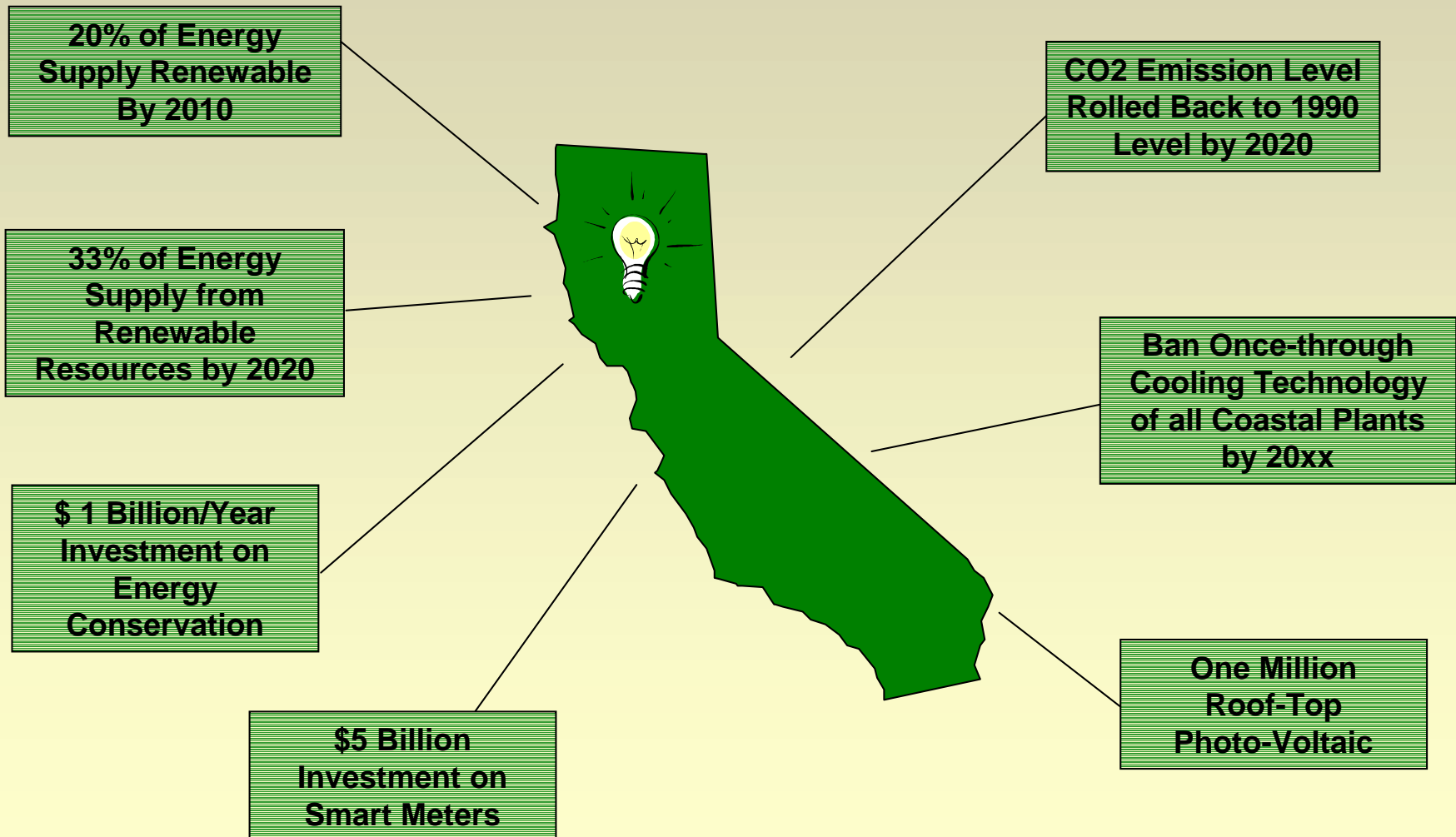
Director, Regional Transmission North

Board of Governors Meeting

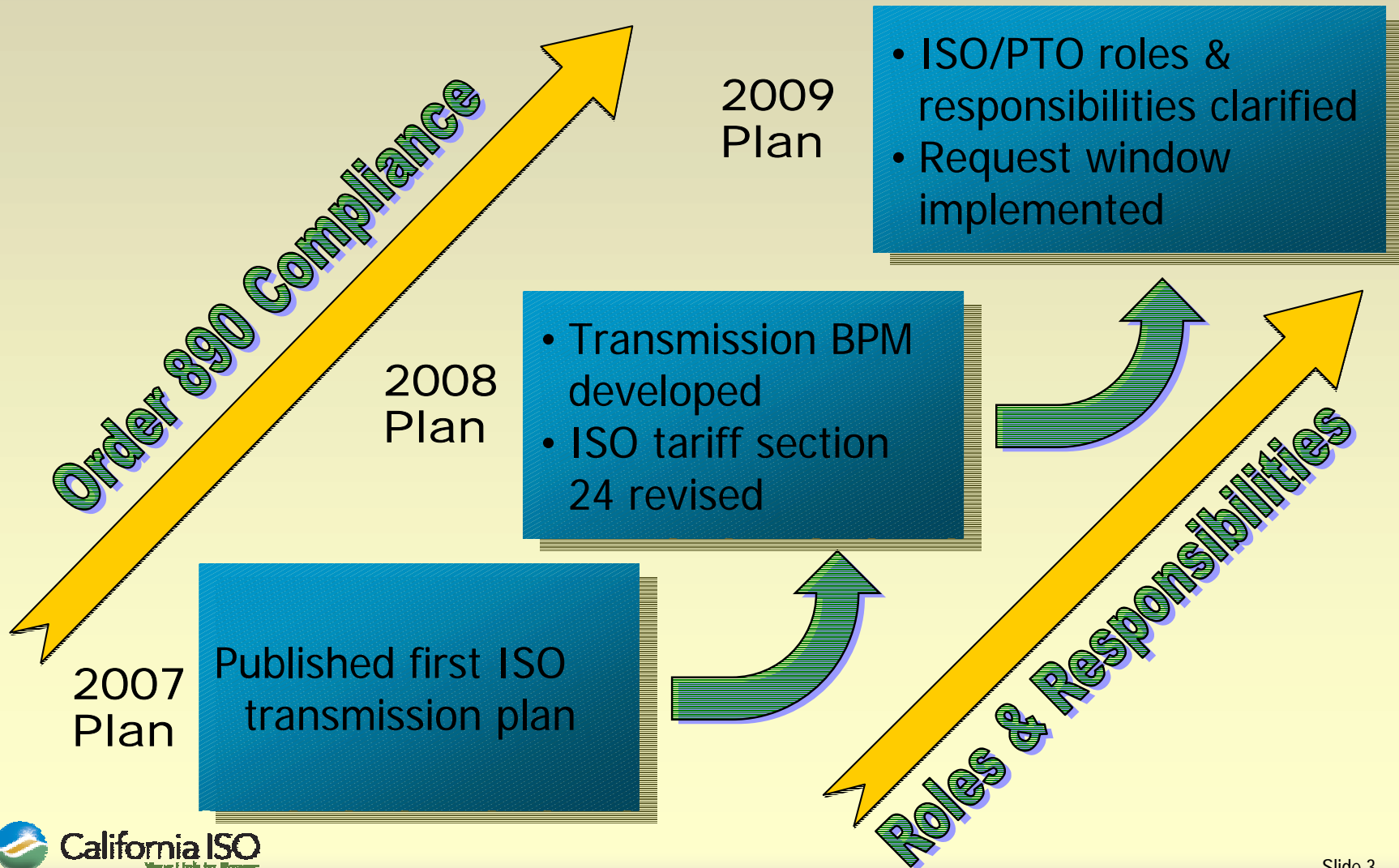
General Session

March 26-27, 2009

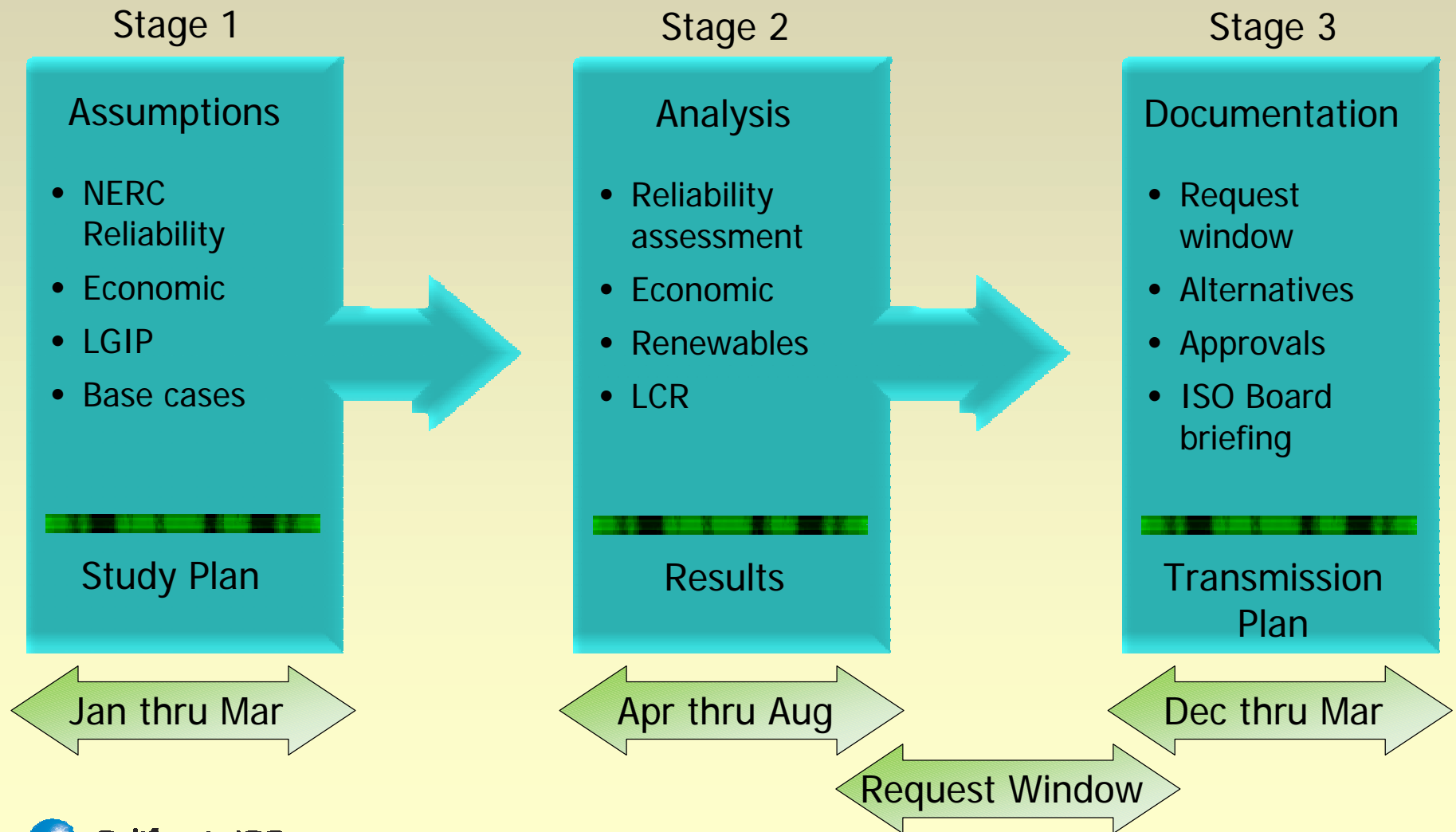
Into the Future The Planning Framework



With Order 890 accomplished, we are ready to incorporate market drivers into infrastructure planning.



ISO planning process is built around three stages: assumptions, analysis, and documentation.



ISO staff assessment was comprehensive & consistent with NERC compliance requirements.

- Tested system performance against NERC planning standard requirements
- Assessed Summer on-peak/off-peak scenarios across a ten-year planning horizon (2009 – 2018)
- Over 200 criteria violations were identified
- ISO proposed more than 160 mitigation plans to address the criteria violations

On balance, the request window process resulted in numerous, valuable proposals.

Submitted:

By non – PTO	22		
By PTO	104		
		134	
Withdrawn		-8	
			126

Evaluated:

Approved by Executive Mgmt (<\$50M)	45		
Approved for Board consideration	2		
Rejected	4		
		51	
Moved forward to 2010 plan		75	
			126

The Transmission Plan serves to demonstrate how the ISO is ensuring compliance with FERC Order 890.

- Our regulatory guideposts
 - BPM for the Transmission Planning Process
 - Revised ISO tariff section 24
- Reliability assessment
 - Ensured compliance with NERC reliability standards
 - Approved infrastructure proposals totaling \$390M
- Supplemental renewable integration study
- Annual studies – local capacity, long-term congestion revenue rights

Future iterations of the transmission plan will reflect market drivers as a consideration for grid enhancement.

- Our annual study requirements
 - NERC reliability compliance assessment
 - Economic planning analysis
 - Local Capacity Requirements
- Activities driven by policy considerations
 - Meeting renewable portfolio standards – Renewable Energy Transmission Initiative (RETI)
 - Coordination of the Transmission Planning Process and LGIP
 - Once through cooling and priority reserve challenges