

tariff, and this consequently has impacted the timeline of the 2011/2012 cycle, thereby necessitating the instant waiver request.

I. SUMMARY

For the 2011/2012 planning cycle the ISO requests a waiver of paragraph (a) of tariff section 24.4.1, which requires at least 120 days between posting the final study plan and posting the ISO's technical study results. Good cause exists for this request. A shortened period of time has to be adopted between the milestones of the current cycle because the ISO could not finalize the study plan for the 2011/2012 planning cycle until after the ISO Board approved the 2010/2011 transmission plan.³ Due to the effective date of the revised transmission planning process, the ISO was not able to present the 2010/2011 transmission plan to the Board for approval until the May 2011 meeting. Because the final study plan can never be posted prior to the final transmission plan from the previous cycle, the ISO could not post the final study plan until May 20, 2011. If the ISO delays posting the technical study result for the 120 day minimum period specified by section 24.4.1, the 2011/2012 cycle will be extended by approximately two months, thereby impacting the 2012/2013 cycle and beyond.⁴ Unless this situation is addressed now it will continue to repeat itself in future planning cycles; thus the ISO would never be able to "catch up" from the two month delay created in the 2010/2011 cycle. The requested one-

³ The planning assumptions that will be used for the technical studies in 2011/2012 must include transmission upgrades and additions that have been approved by the Board.

⁴ The entire 2011/2012 cycle will be impacted by the 120 day minimum period in Section 24.4.1(a) because the 2011/2012 request window opens following the study results posting (see Section 24.4.3[a]). Other milestone dates, such as public meetings and posting the draft transmission plan, are based on the request window schedule (see Section 24.4.9).

time tariff waiver – applicable only to the 2011/2012 planning cycle- will allow the planning process to align with the milestone dates developed with stakeholders and documented in the Business Practice Manual for Transmission Planning (“BPM”) for the revised transmission planning process.⁵ The ISO has determined that shortening one milestone activity date by approximately 35 days, will enable the ISO to conduct the 2011/2012 planning cycle in a timeframe that is commensurate with the ISO’s revised transmission process and BPM and will provide the ISO more certainty in presenting the 2011/2012 transmission plan to the ISO Governing Board in March, 2012.

II. BACKGROUND

As the Commission is aware, California has undertaken ambitious efforts to increase the role of renewable energy resources in meeting the electricity needs of the state, including recently-enacted legislation requiring that 33% of the state’s energy requirements be met by renewable resources.⁶ As the transmission provider for all of California’s investor-owned utilities and the system planner of the ISO controlled grid, the ISO is inextricably involved in achieving these goals. Accordingly, in 2009 the ISO initiated a stakeholder process to consider substantial revisions to its transmission planning process in order to address the significant new challenges of planning the transmission infrastructure needed to achieve the 33% renewable resource target in a condensed time-frame.

⁵ See, for example, Attachment F to the ISO transmittal letter in ER10-1401-000 setting forth the timeline for the three phases of the revised process.

⁶ SB2(1X), enacted March 29, 2011; the 33% by 2020 renewable resource target was previously established by Governor Schwarzenegger in Executive Order S-21-09 issued September 2009.

On June 4, 2010, the ISO submitted proposed amendments to ISO tariff Section 24 that were designed to implement its revised transmission planning process. The ISO proposed an effective date of August 3, 2010 for its new planning process.⁷ On July 26, 2010, the Commission suspended this proposed effective date until the earlier of January 3, 2011 or the date of an order addressing the proposed revisions. Subsequently the Commission approved the revised planning process in an order issued on December 16, 2010 and established December 20, 2010 as the effective date for the proposed changes. The Commission specifically found the revised process “to be a positive step toward facilitating the development of transmission infrastructure needed to enable California utilities to meet California’s ambitious renewable portfolio standards and other environmental goals.”⁸

To implement the revised planning process during the 2010/2011 cycle underway when the revisions were approved, the ISO issued the conceptual statewide plan (tariff Section 24.4.4) on January 18, 2011 and provided a comment period until February 17, 2011. This step delayed the issuance of the draft transmission plan until March 24, 2011, which delayed approval of the plan until the May 18, 2011 Board meeting.

⁷ See the ISO’s June 4, 2010 transmittal letter and revised tariff amendment in Docket Nos. ER10-1401-000 *et seq.*.

⁸ December 16 Order at Par. 2.

III. REQUEST FOR WAIVER OF ISO TARIFF PROVISION

Under both of the ISO's previous and revised transmission planning process, the annual planning cycles overlap during the first quarter of each calendar year. Both the previous and revised processes include numerous milestone activities, some of which are outlined in the tariff with details provided in the BPM. When the ISO filed the tariff revisions for the transmission planning process on June 4, 2010, the 2010/2011 planning cycle was underway pursuant to the then-existing tariff provisions. The ISO requested an August 3, 2010, effective date, which would have allowed a transition to the new planning process without a significant impact on milestone dates. Because the Commission suspended the effectiveness of the tariff provisions, however, timeline conflicts between the two processes have arisen that have required temporary waivers of certain provisions. For example, last fall, the ISO requested, and received, a waiver of the request window requirement for economic projects under the previous planning process.⁹

The December 20, 2010 effective date of the new transmission planning process necessitates another one-time waiver of a tariff milestone, this time an activity date in the 2011/2012 cycle. In order to provide stakeholders with an

⁹ Under the prior process parties could submit economic projects through the request window and the ISO was required to evaluate them on a case by case basis. The revised process replaced the request window submission process for economic projects with a competitive solicitation process whereby the ISO will identify the need for economically-driven transmission elements and parties may submit proposals to build such elements. When the effective date of the tariff revisions was suspended, the ISO was placed in the position of being required to accept economic project proposals through the request window that would not be evaluated or approved once the revised process went into effect. To avoid unduly burdening both ISO and stakeholder resources with tasks that would be rendered moot, the ISO requested a waiver of the request window submission tariff requirement for economic projects (then tariff Section 24.2.3[a]). The Commission granted the ISO's requested tariff waiver on October 8, 2010. *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶61,020 (2010).

opportunity to comment on a conceptual statewide plan (required by tariff section 24.4.4), the ISO necessarily delayed presenting the final 2010/2011 transmission plan to the Governing Board until the May, 2011 meeting. This modification to the 2010/2011 schedule was able to be implemented through stakeholder market notices and revisions to the BPM. However, as a result, the 2011/2012 study plan and unified planning assumptions, which the ISO would ordinarily finalize at the end of March following Board approval of the transmission plan from the prior planning cycle, could not be finalized until after the May, 2011 Board meeting. The milestones existing for the planning process would require that the ISO post its technical study results on August 15, 2011, in order to complete the 2011/2012 planning process on schedule. If the ISO does so, however, the time period between the final study plan posting and the study results posting will be 85 days rather than the 120 minimum period between these milestones required by tariff section 24.4.1(a). The ISO therefore seeks a one- time suspension of this tariff requirement so that the study results can be published on August 15 which, consistent with the BPM, will allow the remainder of the 2011/2012 schedule to remain on track.

The ISO's believes that the request for a one-time waiver of the 120 day period between milestones is reasonable and in accordance with Commission policy. Although the Commission has granted waiver requests where an emergency situation or an unintentional error was involved,¹⁰ the Commission does not limit waivers to such circumstances. It has also granted waivers when

¹⁰ *Cal. Indep. Sys. Operator Corp.*, 118 FERC ¶ 61,226 at P 24 (2007) (granting waiver for good cause based on generator interconnection procedures to facilitate efficient and cost-effective treatment of 4,350 MW of wind-related interconnection requests).

good cause for a waiver of limited scope exists, there are no undesirable consequences, and the resultant benefits to customers are evident.¹¹ Indeed, as described above, the Commission granted the ISO's requested waiver of the requirement that economic projects be submitted through the request window for the purposes of efficiency and in order to avoid an unnecessary expenditure of resources.¹²

In this case, good cause exists for two reasons. First, the timetable for the revised planning process was carefully developed with stakeholders and is well understood by transmission planning participants because many of the milestone activity dates are similar to the dates in the previous planning process (for example, the transmission plan has customarily been presented to the ISO Board in March and the study plan for the next cycle is developed at approximately the same time). Without the requested waiver, this timetable will be permanently altered by two months and the ISO will be required to make substantial revisions to the BPM dates and timelines. Second, the two month delay in presenting the comprehensive transmission plan to the Board was necessitated by the need to post the conceptual statewide plan much later in the 2010/2011 planning process due to the December 20 effective date of the revised planning process. As discussed above, the ISO developed the timeline for the revised transmission based on a proposed effective date of August 3, 2010. The ISO recognized, of course, that the Commission could suspend the tariff revisions, but the ISO

¹¹ *Southern Cal. Edison Co.*, 125 FERC ¶ 61,009, at P 17 (2008) (citing *Cal. Indep. Sys. Operator Corp.*, 124 FERC ¶ 61,031 (2008); *Cal. Indep. Sys. Operator Corp.*, 118 FERC ¶ 61,226 (2007)).

¹² *Id.* ¶ 7.

needed to use a date certain for developing the milestones. This delayed effective date has rendered full compliance with the ISO Tariff within the BPM timeframe impracticable for the 2011/2012 planning cycle without a waiver.

No undesirable consequences will result from granting a waiver in this case. Stakeholders will still have considerable time – 85 days – to review the study plan and engage in their own study process before the ISO's study results are posted in August. Granting this one-time petition for waiver will allow the ISO to correct several months delay with a one month reduction of a stakeholder comment period. Moreover, on February 18, 2011, the ISO made revised 2010/2011 and 2011/2012 transmission planning process timelines available for stakeholder review, including notice that the ISO would seek approval of an abbreviated period between the final study plan and posting study results.¹³ To date, no party has taken issue with an abbreviated stakeholder review period.

Rigid enforcement of the 120 day milestone would continue to unnecessarily burden implementation of the revised transmission planning process in future planning cycles, without causing any discernable advantage to market participants. If the Commission approves this waiver request, the planning processes for the 2012/2013 cycle and beyond can be completed in a manner commensurate with the tariff milestone dates, including section 24.4.1(a).

¹³ Market Notice of 2010/2011 and 2011/2012 Transmission Planning Process Timelines, <http://www.caiso.com/2b29/2b29a7b047d10.html>

IV. REQUEST FOR ADDITIONAL WAIVERS

To the extent that the Commission deems that section 35.17(e) of its regulations applies to this waiver request, the ISO respectfully requests waiver of such section 35.17(e).¹⁴ The ISO further requests that the Commission grant any additional waivers of its regulations as may be necessary to grant this request. The ISO submits that good cause exists for granting a waiver of its regulations for the reasons stated above.

V. SERVICE

The ISO has served copies of this filing upon the California Public Utilities Commission and all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff.

VI. CORRESPONDENCE

The ISO requests that all correspondence, pleadings and other communications concerning this filing be served upon the following:

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¹⁴ *Id.*

VII. CONCLUSION

For the reasons discussed above, the ISO respectfully requests that the Commission grant the waiver.

Respectfully submitted,

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