



**August 18, 2015 Western Planning Regions Coordination Meeting
Stakeholder Comment Form**

Commenter Contact Information

Date: September 1, 2015
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Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison (SCE) (collectively, the “Joint CA IOUs”) appreciate the opportunity to provide the following comments in response to the topics discussed during the August 18, 2015 Western Planning Regions (WPR) stakeholder meeting. The Joint CA IOUs strongly support the stated objective underlying the development of the Interregional Transmission Planning Process Narrative (ITPPN), which is succinctly stated in Section I of the document – “to provide more visibility of the interregional coordination concepts to stakeholders.” The Joint CA IOUs believe that while this objective may have been satisfied with respect to the provisions related to regional data coordination, WECC base case selection, and exchange of data among the regions (i.e., Section IV), the ITPPN falls well short of achieving this objective with respect to identifying interregional transmission facilities that would more efficiently or cost-effectively meet needs identified in individual regional transmission plans, and with respect to Interregional Transmission Project (ITP) evaluation. Specifically, it does not provide sufficient (i) detail regarding how the WPRs (California Independent System Operator (CAISO), Northern Tier Transmission Group (NTTG), WestConnect and Columbia Grid) would identify potentially beneficial interregional transmission facilities (topics addressed in sections III and IV), and (ii) clarity and detail on the joint ITP evaluation process between potential Relevant Planning Regions, cost allocation, and dispute resolution procedures (topics addressed in Sections V and VI) to be utilized by the regions.

The Joint CA IOUs understand that some members of the WPRs have expressed concern and/or raised objections over creating a procedures document that contains too much detail such that the final product could be construed as creating new compliance obligations beyond those included in the FERC-approved common tariff language. Indeed the ITPPN created by the CAISO, NTTG and WestConnect is scrupulous in reciting only the specific requirements imposed by the interregional planning and cost allocation provisions of FERC Order 1000. Columbia Grid, in fact, finds the ITPPN to be overly-generous in its description of the regions’ interregional obligations and, at the August 18, 2015 stakeholder

meeting, presented its own recitation of what the interregional coordination provisions of FERC Order 1000 require of Columbia Grid.

The Joint CA IOUs believe that the current version of the ITPPN fails to provide meaningful mechanics by which potentially beneficial interregional transmission facilities would be identified by the WPRs, does not explain how the joint ITP evaluation will be conducted, provides only a bare-bones description of ITP cost allocation, and leaves too many issues open to ad hoc interpretation. The Joint CA IOUs believe that this gap needs to be closed in order to provide stakeholders adequate transparency regarding how the regions will satisfy FERC's intent with regard to interregional transmission coordination - "to facilitate the identification and evaluation of interregional transmission facilities that may resolve the individual needs of neighboring transmission planning regions more efficiently and cost-effectively." (Paragraph 346 of Order 1000)

The ITPPN needs to provide the procedures that the WPRs will use to identify potentially beneficial interregional transmission facilities.

The Joint CA IOUs acknowledge that the interregional requirements of FERC Order 1000 do not obligate the WPRs to engage in a comprehensive interregional transmission planning exercise. However, the Joint CA IOUs believe that the identification of interregional transmission facilities that may resolve WPRs individual needs more efficiently and cost-effectively than other regional solutions, necessarily requires the WPRs to undertake joint transmission planning study work. It is impractical to expect that each WPR, through its own regional transmission planning process, will arrive at common study assumptions, let alone a common set of interregional transmission facilities that have the potential to address regional needs more efficiently and cost-effectively. The current version of the ITPPN provides no indication that such joint planning will be undertaken. Each WPR's commitment to post data, and the joint commitment by all WPRs to hold an annual public meeting, falls far short of what is required for a process that would be effective in identifying potentially cost-effective interregional transmission facilities.

The ITPPN needs to provide additional detail regarding ITP joint evaluation and cost allocation.

The Joint CA IOUs recognize that the WPRs each have different regional planning processes and that a common planning schedule does not exist. This fact underscores the need for the ITPPN to include sufficient detail to enable all stakeholders to readily understand the steps involved in ITP evaluation and when those steps will occur. There are many details of the process that still need to be established and documented in order for an ITP joint evaluation to occur and that are not described in the common tariff. The approach taken by the CAISO, NTTG and WestConnect in developing the ITPPN, and by Columbia Grid in its August 18, 2015 presentation, defer too many steps to each region's respective regional planning process. This is evidenced by the many provisions within the ITPPN that certain key tasks will be conducted "consistent with" or "in accordance with" or "as described in" each region's regional planning process. In general, suggesting that a stakeholder consult a region's regional planning process document for more detailed information regarding ITP joint evaluation and cost allocation does

not address critical issues and is not a substitute for providing meaningful guidance regarding how ITPs will be processed.

Below is a list of questions/unresolved issues that the Joint CA IOUs believe should be explicitly addressed in Sections V and VI of the ITPPN.

1. Section V.B.3 states that joint evaluation meetings will be held as needed to consider planning data and information relevant to the ITP. When would such meetings take place? Under what circumstances would stakeholders that are not members of one of the WPRs be allowed to participate in these joint evaluation meetings?
2. Section V.B.3 states that stakeholders will have an opportunity to participate in the joint evaluation process in accordance with each relevant planning region's regional process. When do such opportunities exist for stakeholders to participate?
3. Section VI.B states that each relevant region will calculate its pro rata share of projected ITP costs and share that information with other regions. At what point in each regional planning cycle will the benefits be calculated for each region and shared with the other region? How does this timing align between each regional planning cycle in order to determine cost allocation between Relevant Planning Regions? How will each regional planning cycle be adjusted to evaluate ITPs versus other regional transmission solutions?
4. What steps will each region follow if the factors underlying an ITP's *pro rata* cost allocation determination change in subsequent planning cycles due to changes in project scope or changes in the calculated benefits?
5. What is the threshold after which a regional transmission project will be considered "in flight" and no longer considered an alternative to be replaced by an ITP? If a regional project that is progressing through permitting and some engineering but not yet considered "in flight" is no longer needed because an ITP can serve the need more effectively, how are the costs to date for that regional project accounted for in the ITP evaluation?
6. How will the planning regions coordinate on determining a project sponsor for selected ITPs? For ITPs that are subject to competition in one or more region, would there be a common solicitation process or would each relevant region conduct its own solicitation process potentially resulting in different owners/developers for different segments of an ITP?

The regions should pursue adoption of common dispute resolution procedures over matters covered by the ITPPN.

The Joint CA IOUs recommend that an agreed upon dispute resolution process would be beneficial for interregional planning. Interregional planning is challenging and, pursuant to FERC Order 1000, tied directly to complex regional planning processes. It would not be surprising if there are disputes or discrepancies that arise, both in developing common study assumptions and in the joint evaluation and cost allocation processes for ITPs. Establishing an agreed upon dispute resolution procedure often creates a strong incentive for the parties to resolve disputes and disagreements on an informal basis. Failing such informal resolution, a dispute resolution procedure does provide a clear path for reaching agreement.

The ITPPN should be viewed as a living document subject to change.

The Joint CA IOUs acknowledge that identifying potentially beneficial interregional transmission facilities and jointly evaluating ITPs is a complicated undertaking and the regions have yet to implement the provisions of their common tariff language. As such, the regions do not have actual experience conducting the required assessments in accordance with the common tariff language. Experience should guide further enhancements to the ITPPN. The Joint CA IOUs believe the ITPPN should be viewed as a living document that is modified and refined based on practical experience and lessons learned. As a final note, the Joint CA IOUs believe it is essential that all four WPRs work together in refining the ITPPN and that all four WPRs support and commit to implementing the procedures contained therein.



**Western Planning Regions Coordination Meeting
August 18, 2015
Stakeholder Comments**

Commenter Contact Information

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These comments address the draft Interregional Transmission Planning Process Narrative (ITPPN) developed by the Western Planning Regions (WPR) and presented during the Order 1000 Interregional Transmission Coordination Procedures stakeholder meeting held on August 18, 2015. ITC Grid Development, LLC (ITC) thanks the Planning Regions for soliciting further comments on the ITPPN.

ITP Submission (Section V-A)

The ITPPN requires the proponent of an interregional transmission project (ITP) to submit the data for its ITP into the regional planning process for each Relevant Planning Region (RPR). The Planning Regions should agree upon a common format and scope of data to be provided as part of an ITP proposal. This would allow stakeholders to provide the same information regarding an ITP proposal to each RPR and ease the administrative burden associated with proposing an ITP. Given differences in regional planning processes, ITC expects the common format to require data that goes beyond what a single RPR would individually require. However, an individual RPR can choose to utilize only the subset of the data necessary for its respective regional planning process.



TRANSCANYON

ROBERT SMITH
Vice President,
Transmission Planning
and Development

August 28, 2015

California Independent System Operator
250 Outcropping Way
Folsom, CA 95630

Re: August 18th Stakeholder Meeting – Western Planning Regions Order 1000
Interregional Coordination Procedures

Dear Representatives of the Western Planning Regions:

TransCanyon recognizes that the Western Planning Regions (WPRs) have spent a great amount of time and effort in the attempt to develop Interregional Transmission Planning Coordination Procedures (ITCP) to comply with FERC Order No. 1000. We appreciate the opportunity to actively participate in the development process.

As stated in our July 2, 2015 comments on decision points, we encourage the WPRs to continue to develop a single procedure for interregional coordination in the Western Interconnection. We are disappointed in what appears to be a step backward in that the four regions have not been able to agree on a common procedure. Rather, the regions have decided to take a suboptimal approach in which the CAISO, NTTG, and WestConnect agree upon a common “narrative” to describe how interregional coordination might occur amongst them and ColumbiaGrid posts a separate interregional coordination information package to its website.

Based on the presentations made and the answers given to questions posed from stakeholders during the August 18, 2015 Stakeholder Meeting, it would appear that the WPRs (with the exception of the CAISO) are more concerned about not expanding their obligations to FERC beyond their specific FERC filed tariff language than they are about developing a robust interregional planning process that will provide appropriate consideration of potential benefits to the Western Interconnection of proposed Interregional Transmission Projects (ITPs).

The western States face enormous challenges in implementing rapidly changing energy and environmental policies while ensuring that the basic electricity service that we all depend so much on continues to be available at affordable rates. ITPs will play a key role in helping the western States meet those evolving challenges. A robust and transparent interregional transmission planning process that appropriately assesses the benefits and beneficiaries of those ITPs is critical in facilitating the development of these projects.

Retrospectively, it is clear that the WPRs would have had an easier task in developing an ITCP had they better coordinated the development of their individual Order 1000 processes with each other at the outset. TransCanyon urges the WPRs to make all efforts to appropriately improve their individual processes and procedures over time to become more consistent and to continue to develop more detailed processes and procedures while working toward achieving true ITCPs. TransCanyon will continue to work through WestConnect and the ITCP development process to assist this effort in any way we can.

Sincerely,

Bob Smith