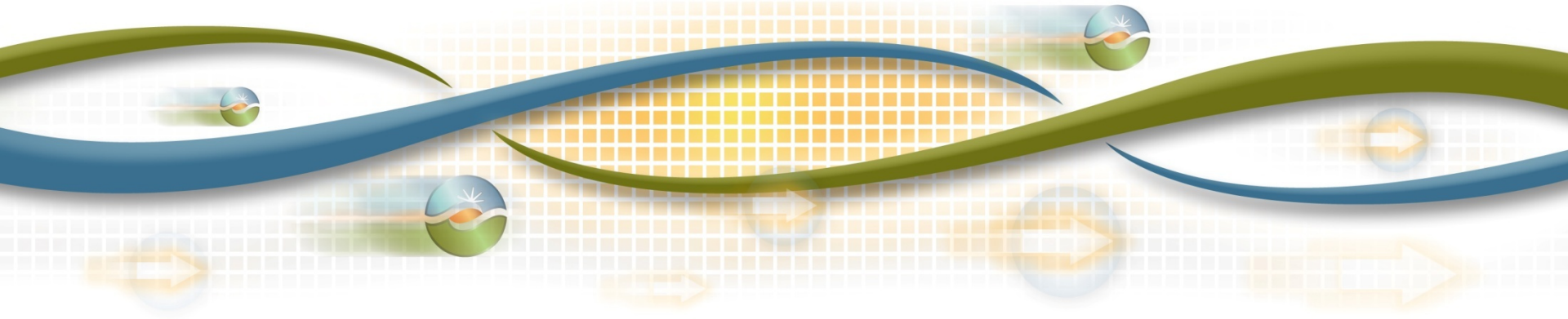




Decision on competitive solicitation process enhancements

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The competitive solicitation process enhancement initiative resulted in a number of proposed improvements

- Three proposed improvements require Board approval and subsequent tariff changes:
 - Modification to the collaboration timeframe;
 - Obligation regarding the transfer of assets; and
 - Notice of FERC filings
- Additional improvements include providing greater guidance to project sponsors by adding clarity and additional details to the:
 - project sponsor application;
 - future detailed functional specifications; and
 - future approved project sponsor selection reports

The collaboration proposal addresses concerns regarding schedule delays and potential unfair advantages for collaborating parties.

- Propose to modify the collaboration period to coincide with the open application bid window and extend the bid window an additional two weeks
 - Shortens the selection process by up to 11 weeks compared to the current process
 - Removes concerns about unfair advantages to collaborating parties because all applications are due at the same time
- Broad stakeholder support
 - However, two stakeholders preferred to retain the existing separate collaboration period

The proposal requires approved project sponsors to negotiate in good faith to transfer assets to an alternative sponsor.

- An approved project sponsor agreement may be terminated
 - approved project sponsors are required to work with the ISO and alternative project sponsor to transfer project responsibilities
 - this proposal adds a specific requirement that an approved project sponsor negotiate in good faith to transfer project-related assets to an alternative project sponsor that wants them
 - transfer should be at cost or net book value (if depreciated)
 - Does not preclude abandoned plant recovery allowed by FERC
- Broad stakeholder support
 - Proposal ensures the reasonable transfer of assets needed to complete the project in a timely, cost-effective manner

The proposal requires project sponsors to provide notice of project related filings

- Project sponsors are required to provide a copy of all initial filings they submit in a FERC docket related to the project to:
 - the ISO
 - participating transmission owners
 - approved project sponsors
- Broad stakeholder support
 - Proposal allows the above interested parties to track the FERC filings made by project sponsors

Management recommends the Board approve the proposal.

- Makes the collaboration process more efficient and eliminates any concerns regarding unfair advantage
- Ensures the reasonable transfer of assets needed to complete a project
- Adds transparency to allow the ISO, participating transmission owners, and approved project sponsors to track project related FERC filings.