

Memorandum

To: ISO Board of Governors

From: Keith Casey, Vice President of Market & Infrastructure Development

Date: August 29, 2018

Re: **Decision on ISO planning standards**

This memorandum requires Board action.

EXECUTIVE SUMMARY

The California Independent System Operator Corporation is required through its tariff to adhere to planning standards established by the North American Electric Reliability Corporation (NERC), as well as regional standards, criteria and business practices established by the Western Electricity Coordinating Council (WECC). In addition, the ISO has identified other requirements necessary for reliable system operation that are referred to and documented as the ISO planning standards.

All of these planning standards are critical to providing reliable service to customers. They also form the foundation or basis for all planning activities. Transmission projects are developed and advanced as necessary to ensure compliance with these standards, and when transmission projects are advanced for other reasons, such as meeting economic or policy considerations, those projects must also remain compliant with approved planning standards. As such, the planning standards set the direction for planning activities, and the basis for many of the transmission projects approved by the ISO; the planning standards are therefore only modified with careful consideration.

Management proposes to revise the ISO planning standards to address implementation of the NERC's Bulk Electric System (BES) definition as well as inclusion of pre-existing planning practices that have not previously been codified in the ISO planning standards.

Management recommends the following motion:

Moved, that the ISO Board of Governors approves the ISO planning standards, included as attachment 1, and as described in the memorandum dated August 29, 2018.

DISCUSSION AND ANALYSIS

The current planning standards have been in effect since November 2017, and a stakeholder process to update them was initiated in July 2018. The following provides the background and description of the proposed changes:

- Updating the ISO planning standards for low voltage (non-BES) facilities to align with the implementation of the NERC BES definition, including its inclusion and exclusion process. NERC has upgraded the previous BES definition to now take into account both voltage and functionality, with functionality being addressed by conditions for inclusion and exclusion of certain equipment. As this definition does not align with FERC's guidelines for determining networked transmission facilities, the ISO has both BES and non-BES transmission under its operational control.
- Relaxing the ISO planning standards for non-BES facilities turned over to the ISO control to better align with participating transmission owner planning practices for similar voltage facilities not turned over to ISO control.
- Codifying in the ISO planning standards the following current practices: first, planning for local capacity areas must meet Local Capacity Requirements (LCR) Technical Criteria as defined in Tariff section 40.3.1.1 and second, transmission planning must provide opportunities for scheduling maintenance outages that are necessary to support reliable grid operations, of reasonable time duration, on both BES and non-BES equipment at some point during each year.

The revisions proposed by Management at this time were developed through the ISO stakeholder process. The ISO has not received any substantive comments from stakeholders.

POSITION OF PARTIES

The stakeholder process started in July when the ISO posted the draft revisions to the planning standards and scheduled a stakeholder call on July 17, 2018, with comments due two weeks later.

The ISO only received comments from Southern California Edison, who proposed essentially editorial changes to the scheduled outage planning standard that did not change the intent of the standard, and those changes have been incorporated in the final planning standards attached to this memorandum as Attachment 1.

CONCLUSION

Management recommends the Board approve the attached ISO planning standards which address changes and implementation of the NERC's BES definition as well as inclusion of pre-existing planning practices that have not previously been codified in the ISO planning standards. Upon Board approval, Management will use the revised planning standards in the 2018-2019 Transmission Planning Process.

ATTACHMENT 1: California ISO Planning Standards – Effective September 6, 2018