**Long-Term Wheeling Through Priority**

**Draft Tariff Language**

**Appendix GG**

**Appendix GG is currently “Not Used.” All tariff language proposed in this appendix is new. All redlines are shown in black text for ease of initial review.**

**APPENDIX GG**

**Long-Term Wheeling Through Procedures (LTWTP)**

**Section 1 Objectives And Applicability**

**1.1 Objectives and Applicability**

The CAISO will study requests for long-term priority for Wheeling Throughs, meaning priority for Wheeling Throughs that has a duration of twelve (12) months or longer, in annual increments, and commencing after the period for which ATC on Interties is calculated in accordance with Appendix L. The procedures set forth in Section 23.6 of the CAISO Tariff and this LTWTP will apply to requests for long-term priority for Wheeling Throughs.

**Section 2 Scope and Application**

**2.1 Interconnection Base Case Data**

For each Long-Term Wheeling Through Study Cycle, the CAISO, in coordination with applicable Participating TO(s), will maintain updated Interconnection Base Case Data as described in Section 2.3 of Appendix DD. This should include previously accepted Long-Term Wheeling Through Service Agreements.

**2.2 The Product**

The product is a long-term priority for Wheeling Throughs. Except for being long-term and being subject to Section 23.6 of the CAISO Tariff and this LTWTP, long-term priority for Wheeling Throughs is the same product as shorter-term (monthly and daily) Wheeling Through Priority under Section 23 of the CAISO Tariff.

**2.3 The Long-Term Wheeling Through Assessments**

The study process for long-term priority for Wheeling Throughs leverages the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) and studies, particularly the provisions in the GIDAP regarding Deliverability. The study process consists of a Phase I Long-Term Wheeling Through Assessment, a reassessment conducted prior to the commencement of a Phase II Long-Term Wheeling Through Assessment, a Phase II Long-Term Wheeling Through Assessment, an update to the Phase II Long-Term Wheeling Through Assessment report to reflect the results of a reassessment and a Long-Term Wheeling Through Path 26 Assessment.

The CAISO will apply the study deposit required under Section 3.4.1(i) toward actual study costs. The CAISO will charge, and the Scheduling Coordinator(s) submitting requests for long-term priority for Wheeling Throughs will pay, the actual costs of studies of such requests consistent with Section 3.2. Where a study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each such Scheduling Coordinator and Interconnection Request assigned to the Group Study.

**2.3.1 The Phase I Studies**

The requests for long-term priority for Wheeling Throughs will be included in the Deliverability Assessment performed as part of the Phase I Interconnection Studies.

The Phase I Long-Term Wheeling Through Assessments will include, but not be limited to, steady state (thermal and voltage) and stability analyses. The Phase I Long-Term Wheeling Through Assessments will identify required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations and address stability and reliability issues associated with the requested long-term priority for Wheeling Throughs. The Phase I Long-Term Wheeling Through Assessments will also identify LDNUs. Such Network Upgrades will be identified in accordance with the Deliverability Assessments set forth in Section 6.3.2 of the GIDAP. The Phase I Long-Term Wheeling Through Assessments will also provide cost estimates for ADNUs and AOPNUs, as described in Section 4.3.3. The Phase I Long-Term Wheeling Through Assessment report will include cost estimates for RNUs, LDNUs, ADNUs, LOPNUs, and AOPNUs, and that will, as applicable, establish the basis for the initial Long-Term Wheeling Through Financial Security postings under Section 11.2.

**2.3.2 The Phase II Studies**

The requests for long-term priority for Wheeling Throughs will be included in the Deliverability Assessment performed as part of the Phase II Interconnection Studies.

The Phase II Long-Term Wheeling Through Assessments will include, but not be limited to, steady state (thermal and voltage) and stability analyses, and will identify facilities necessary to mitigate thermal overloads and voltage violations, stability, and reliability issues associated with the requested long-term priority for Wheeling Throughs. The Phase II Long-Term Wheeling Through Assessments will identify LDNUs for Scheduling Coordinator(s) participating in the Phase II study, and ADNUs for Scheduling Coordinator(s) selecting Wheeling Through Deliverability option (B) in accordance with Section 5.2.

Each Phase II Long-Term Wheeling Through Assessment report will also set forth the applicable cost estimates for RNUs, LDNUs, and ADNUs, that will, as applicable, establish the basis for the second and third Long-Term Wheeling Through Financial Security postings under Section 11.3.

Where a Phase II Long-Term Wheeling Through Assessment report identifies specific transmission facilities for Network Upgrade, the cost estimates determined in accordance with Section 4.4 will be set forth in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of expenditure for construction of the components being constructed.

**2.3.3 Long-Term Wheeling Through Path 26 Assessment**

The Long-Term Wheeling Through Path 26 Assessment will assess the Deliverability of requests for long-term priority for Wheeling Throughs on Path 26 during resource shortage conditions to determine if any Upgrades are needed.

**Section 3 Requests for Long-Term Priority for Wheeling Throughs**

**3.1 General**

A duly authorized officer or agent of the requesting Scheduling Coordinator will submit to the CAISO a request for long-term priority for Wheeling Throughs. All forms may be submitted electronically as provided on the CAISO website. The CAISO will forward a copy of the request for long-term priority for Wheeling Throughs to the applicable Participating TO within five (5) Business Days of receipt.

The requesting Scheduling Coordinator will make a separate submittal for each request for long-term priority for Wheeling Throughs. The requesting Scheduling Coordinator must submit a separate study deposit with each such request.

**3.2 Roles and Responsibilities**

(a) Each request for long-term priority for Wheeling Throughs will be subject to the direction and oversight of the CAISO. The CAISO will conduct or cause to be performed the required studies and any additional studies the CAISO determines to be reasonably necessary, and will direct the applicable Participating TO to perform portions of studies where the Participating TO has specific and non-transferable expertise or data and can conduct the studies more efficiently and cost-effectively than the CAISO. The CAISO will coordinate with Affected System Operators in accordance with Section 3.6.

(b) The CAISO will complete or cause to be completed all studies as required within the timelines provided in this LTWTP. Any portion of the studies performed at the direction of the CAISO by the Participating TOs or by a third party will also be completed within timelines provided in this LTWTP.

(c) The CAISO has established a pro forma Roles and Responsibilities Agreement, attached hereto as Appendix 3 and incorporated herein by reference, for execution by the CAISO and the applicable Participating TOs.

(d) Each requesting Scheduling Coordinator will pay the actual costs of all studies, and any additional studies the CAISO determines to be reasonably necessary in response to the request for long-term priority for Wheeling Throughs. The CAISO will reimburse the Participating TO for the actual cost of any portion of all studies related to the request for long-term priority for Wheeling Throughs that such Participating TO performs at the direction of the CAISO.

**3.3 Timing for Submitting Requests**

**3.3.1 Timing for Submitting Requests for a Long-Term Priority for Wheeling Throughs**

The request window for seeking a long-term priority for Wheeling Throughs will be identical to the Cluster Application Window established under Section 3.3 of Appendix DD for the same year. The Cluster Application Window will open on April 1 and close on April 15 of each year. The CAISO will treat all requests for long-term priority for Wheeling Throughs submitted during the request window as having been submitted simultaneously, and the CAISO will not publish information on the time such requests were submitted. Requests submitted after the end of this request window will be treated as requests submitted in the request window for the following year.

If any date set forth in this Section 3.3 is not a Business Day, then the applicable date will be the next Business Day.

**3.4 Processing of Requests**

**3.4.1 Initiating an Request**

To initiate a request for long-term priority for Wheeling Throughs and have the request considered for validation under Section 3.4.2, the requesting Scheduling Coordinator must submit all of the following during the Cluster Application Window:

(i) A study deposit of $100,000.

(ii) A completed application in the form of Appendix 1, including the requested MW quantity, term, Intertie point of receipt (source) and point of delivery (sink) locations.

The CAISO requires the foregoing information to be complete and specific to the request for long-term priority for Wheeling Through. The CAISO will first determine whether a submitted request is complete. The CAISO will not initiate any review of a request for completeness until the CAISO receives the study deposit. The CAISO will review each request and notify the requesting Scheduling Coordinator whether it is complete or contains omissions within five (5) Business Days of submission. Any requesting Scheduling Coordinator that has not submitted a complete request by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year’s Queue Cluster.

The CAISO requires study deposits to review and validate the request. Notwithstanding Section 3.4.2 or any other provision in this LTWTP regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate a request absent the study deposit. Any requesting Scheduling Coordinator that has not submitted a complete study deposit by April 15 (or the next Business Day if April 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year’s Queue Cluster.

**3.4.2 Validation of Request**

For each request for long-term priority for Wheeling Throughs that is deemed complete, the CAISO and Participating TO will determine whether the request is valid. A request will be deemed valid if it does not contain deficiencies that would prevent its inclusion in the Phase I Interconnection Studies. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files.

**3.4.2.1 Validation Process**

The CAISO and Participating TO will notify the requesting Scheduling Coordinator whether its request for long-term priority for Wheeling Throughs is valid or contains deficiencies within ten (10) Business Days of April 15 or when the request is deemed complete, whichever is later. All requests must be deemed valid by June 30 to be included in that year’s Queue Cluster.

**3.4.2.2 Deficiencies in Request**

If a request for long-term priority for Wheeling Throughs has deficiencies, the CAISO will include in its notification to the requesting Scheduling Coordinator that the request does not constitute a valid request and explain the deficiencies. The requesting Scheduling Coordinator will provide the CAISO the corrected requested information needed to constitute a valid request. Whenever the requesting Scheduling Coordinator provides corrected requested information, the CAISO will notify the requesting Scheduling Coordinator within five (5) Business Days of receipt of the corrected requested information whether the request is valid. If the request continues to provide deficient information, the CAISO will include in its notification to the requesting Scheduling Coordinator the reasons for such failure. If a request is not deemed valid, the requesting Scheduling Coordinator must cure all deficiencies no later than June 30 or the next Business Day if June 30 is not a Business Day. Requests with deficiencies after that date will be deemed invalid and will not be included in a Long-Term Wheeling Through Study Cycle or otherwise studied.

**3.5 Internet Posting**

The CAISO will maintain on the CAISO Website a list of all requests for long-term priority for Wheeling Throughs.

Except in the case of an Affiliate, the list will not disclose the identity of the requesting Scheduling Coordinator until the requesting Scheduling Coordinator a LTWTSA or requests that the applicable Participating TO(s) and the CAISO file an unexecuted LTWTSA with FERC. The CAISO will post on the CAISO Website an advance notice whenever a scoping meeting will be held with an Affiliate of a Participating TO.

The CAISO will post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO will further post to the secure CAISO Website portions of the Phase I Long-Term Wheeling Through Assessment that do not contain customer-specific information following the final Long-Term Wheeling Through Results Meeting and portions of the Phase II Long-Term Wheeling Through Assessment that do not contain customer-specific information no later than publication of the final Transmission Plan under Section 24.2.5.2 of the CAISO Tariff (such posted information to be placed on the secure CAISO Website to protect any Critical Energy Infrastructure Information contained therein). The CAISO will post to the secure CAISO Website any documents or other materials posted pursuant to this LTWTP or a Business Practice Manual that contain Critical Energy Infrastructure Information.

**3.6 Coordination with Affected Systems**

Pursuant to Section 3.6.1, the CAISO will notify the Affected System Operators that are potentially affected by the requesting Scheduling Coordinator’s request for long-term priority for Wheeling Throughs or Group Study within which the requesting Scheduling Coordinator’s request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable study within the time frame specified in this LTWTP. The CAISO will include Affected System Operators in all meetings held with the requesting Scheduling Coordinator as required by this LTWTP.

The requesting Scheduling Coordinator will cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO’s identification of the requesting Scheduling Coordinator’s name and release of information that the requesting Scheduling Coordinator provided as part of its request to the Affected System, and participating in any coordinating activities and communications undertaken by the Affected System or CAISO. If required by an Identified Affected System, the requesting Scheduling Coordinator will sign separate study agreements with the Identified Affected System and pay for necessary studies. Identified Affected Systems will cooperate with the CAISO in all matters related to the Identified Affected System Operators’ determination of modifications to Identified Affected Systems.

**3.6.1 Timing for Identification of Identified Affected Systems**

The CAISO will provide notice to the Affected System Operators that are potentially affected by the requesting Scheduling Coordinator’s request for long-term priority for Wheeling Throughs or Group Study within thirty (30) calendar days after determining which projects in each study cluster have posted their initial Long-Term Wheeling Through Financial Security.

The CAISO may later notify Affected Systems if (i) the CAISO failed to identify the Affected System initially; or (ii) the requesting Scheduling Coordinator modifies its request such that an electric system becomes a potentially Affected System. In such cases, the CAISO will coordinate with the requesting Scheduling Coordinator and the potentially Affected System Operator to develop an expedited timeline to determine whether the Affected System is an Identified Affected System. The CAISO will then notify the requesting Scheduling Coordinator as soon as practical of the new Identified Affected System.

Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an Identified Affected System; or (ii) the electric system should not be considered an Identified Affected System. If the Affected System Operator fails to advise the CAISO within (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System.

If an electric system operator advises the CAISO that it is an Identified Affected System after the 60-day notification period, the CAISO will not delay the in-service date of any Upgrades constructed pursuant to the request for long-term priority for Wheeling Throughs for mitigation required by the Affected System unless the Affected System identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues are present, the CAISO will work with the Affected System and the requesting Scheduling Coordinator to establish temporary mitigations, if possible, for the identified reliability issue. An Affected System’s mitigation remedies that may be available outside the CAISO Tariff are unaffected by these provisions.

**3.7 Withdrawal**

The requesting Scheduling Coordinator may withdraw its request for long-term priority for Wheeling Throughs at any time by written notice of such withdrawal to the CAISO, and the CAISO will notify the applicable Participating TO(s) and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the CAISO of a valid request under Section 3.4.2, if the requesting Scheduling Coordinator fails to adhere to all requirements of this LTWTP, the CAISO will deem the request to be withdrawn and will provide written notice to the requesting Scheduling Coordinator within five (5) Business Days of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the requesting Scheduling Coordinator will have five (5) Business Days in which to respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the CAISO of its intent to pursue the CAISO ADR Procedures under Section 13 of the CAISO Tariff.

Withdrawal will result in the removal of the request from the Long-Term Wheeling Through Study Cycle. If a requesting Scheduling Coordinator disputes the withdrawal and removal from the Long-Term Wheeling Through Study Cycle and has elected to pursue the CAISO ADR Procedures, the requesting Scheduling Coordinator’s request will not be considered in any ongoing study during the CAISO ADR Procedures process.

In the event of such withdrawal, the CAISO will provide, at the requesting Scheduling Coordinator’s option, all information that the CAISO developed for any completed study conducted up to the date of withdrawal of the request.

**Section 4 Initial Activities and the Phase I Long-Term Wheeling Through Assessments**

**4.1 Initial Activities Following the Close of the Cluster Application Window**

The CAISO will establish a date agreeable to the Scheduling Coordinator requesting long-term priority for Wheeling Throughs and the applicable Participating TO(s) for a scoping meeting regarding the request. All scoping meetings will occur no later than June 30, unless otherwise mutually agreed upon by the Parties. The CAISO will evaluate whether the request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, in such case, the CAISO will invite the affected Participating TO(s), and/or Affected System Operator(s) in accordance with Section 3.6, to the scoping meeting by informing such third parties of the time and place of the scheduled scoping meeting as soon as practicable.

The purpose of the scoping meeting will be to exchange information including any transmission data that would reasonably be expected to impact such requests. The applicable Participating TO(s) and the CAISO will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues (iv) general voltage issues, and (v) general reliability issues, and (b) general information regarding the number, location, and capacity of requests in the Long-Term Wheeling Through and generation interconnection Study Cycles that may potentially form a Group Study with the requesting Scheduling Coordinator’s request.

**4.2 Scope and Purpose of Phase I Long-Term Wheeling Through Assessment**

The Phase I Long-Term Wheeling Through Assessment will:

(i) identify whether any Upgrades to the transmission system are needed to accommodate requests for long-term priority for Wheeling Throughs that commence at least two years after the close of the request window and the Transmission Constraints that require such Upgrades;

(ii) preliminarily identify all LDNUs and RNUs needed to address the impacts on the CAISO Controlled Grid of the requests, as Assigned Network Upgrades or Conditionally Assigned Network Upgrades;

(iii) establish the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure for each request, until the issuance of the Phase II Long-Term Wheeling Through Assessment report;

(iv) provide a cost estimate of ADNUs for each Upgrade in a Queue Cluster Group Study;

(v) identify any Precursor Network Upgrades; and

(vi) identify RNUs.

The Phase I Long-Term Wheeling Through Assessment will consist of a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment, for the purpose of identifying LDNUs and estimating the cost of ADNUs as applicable.

The Phase I Long-Term Wheeling Through Assessment will state for each Group Study (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested service to all requests in a Group Study.

The Phase I Long-Term Wheeling Through Assessment will provide, without regard to the requested in-service dates of the Upgrades needed to implement the requests, a list of RNUs, and LDNUs to the CAISO Controlled Grid that are preliminarily identified as Assigned Network Upgrades or Conditionally Assigned Network Upgrades required as a result of the requests in a Group Study, the estimated costs of ADNUs if applicable, and an estimate of any other financial impacts (*i.e*., on Local Furnishing Bonds).

**4.3 Identification of and Cost Allocation for Network Upgrades**

**4.3.1 Overview**

If the Phase I Long-Term Wheeling Through Assessment identifies no Upgrades needed to accommodate a request for long-term priority for Wheeling Throughs, the CAISO will grant the request after the in-service date of all previously approved Upgrades to the transmission system that were assumed in the Group Study Phase I Long-Term Wheeling Through Assessment and Interconnection Study and were needed to accommodate the request. If the Phase I Long-Term Wheeling Through Assessment identifies Upgrades needed to accommodate a request, the Phase I Long-Term Wheeling Through Assessment will provide the estimated costs of the identified Upgrades pursuant to this Section 4.3.

**4.3.2 Reliability Network Upgrades (RNUs)**

The CAISO, in coordination with the applicable Participating TO(s), will perform short circuit and stability analyses for each request for long-term priority for Wheeling Throughs as part of a Group Study to preliminarily identify the RNUs needed to implement the request. The CAISO, in coordination with the applicable Participating TO(s), will also perform power flow analyses under a variety of system conditions, for each request as part of a Group Study to identify Reliability Criteria violations, including applicable thermal overloads that must be mitigated by RNUs.

The cost of all RNUs identified in the Phase I Long-Term Wheeling Through Assessment will be estimated in accordance with Section 4.4. If the Group Study includes both requests for a long-term priority for Wheeling Throughs and generator Interconnection Requests, the estimated costs of all GRNUs identified through a Group Study will be assigned to all requests for long-term priority for Wheeling Throughs and Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt capacity requested in each request.

**4.3.3 Delivery Network Upgrades**

**4.3.3.1 The On-Peak Deliverability Assessment**

The CAISO, in coordination with the applicable Participating TO(s), will perform On-Peak Deliverability Assessments for all Scheduling Coordinators requesting long-term priority for Wheeling Throughs. The On-Peak Deliverability Assessment will determine the ability of the Upgrades needed to implement each such request to deliver Energy through the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the requesting Scheduling Coordinator with long-term priority for Wheeling Throughs. The Deliverability Assessment will consist of two rounds, the first of which will identify any transmission constraints that limit the Deliverability of the requests in the Group Study and will identify LDNUs to relieve the local constraints, and second of which will determine ADNUs to relieve the area constraints.

**4.3.3.1.1 Local Delivery Network Upgrades**

The On-Peak Deliverability Assessment will be used to establish the Maximum Cost Responsibility and Maximum Cost Exposure for LDNUs for each requesting Scheduling Coordinator. Deliverability of a new Upgrade will be assessed on the same basis as all existing resources and priority scheduling customers utilizing the CAISO Controlled Grid. The methodology for the On-Peak Deliverability Assessment will be published on the CAISO Website or, when effective, included in a CAISO Business Practice Manual.

The cost of LDNUs identified in the On-Peak Deliverability Assessment as part of a Phase I Long-Term Wheeling Through Deliverability Assessment will be estimated in accordance with Section 4.4. If the Group Study includes both requests for a long-term priority for Wheeling Throughs and generator Interconnection Requests, the estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be assigned to all requests for long-term priority for Wheeling Throughs and Interconnection Requests based on the flow impact of each such request on the Delivery Network Upgrades as determined by the distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

**4.3.3.1.2 Area Delivery Network Upgrades**

The On-Peak Deliverability Assessment will be used in the Phase I Long-Term Wheeling Through Deliverability Assessments to identify those facilities necessary to provide the incremental Deliverability between the level of TP Deliverability and such additional amount of Deliverability as is necessary for the MW capacity amount of Upgrades targeted in the Phase I Long-Term Wheeling Through Assessments. Based on such facility cost estimates, the CAISO will calculate a rate for ADNU costs equal to the facility cost estimate divided by the additional amount of Deliverability targeted in the study. The Phase I Long-Term Wheeling Through Assessments will provide a cost estimate for each requesting Scheduling Coordinator which equals the rate multiplied by the requested deliverable MW capacity of the Upgrades needed to implement the requests.

**4.4 Use of Per-Unit Costs to Estimate Network Upgrade Costs**

Each Participating TO, under the direction of the CAISO, will publish per-unit costs for facility upgrades generally required to their respective systems.

These per-unit costs will reflect the anticipated cost of procuring and installing such facilities during the current Long-Term Wheeling Through Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of in-service dates of any Upgrades needed to implement requests for long-term priority for Wheeling Throughs in the Long-Term Wheeling Through Study Cycle. The per-unit costs will be used to develop the cost of Network Upgrades. Deviations from a Participating TO’s benchmark per-unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination. The CAISO will use the same per unit cost it uses in the Generation Interconnection Deliverability Allocation Procedures.

**4.5 Assigned and Contingent Facilities**

The CAISO and Participating TO will provide, upon request of the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, its estimated Network Upgrade costs and estimated in-service completion time of each Assigned Network Upgrade, Conditionally Assigned Network Upgrade, or Precursor Network Upgrade when this information is readily available and not commercially sensitive.

**4.6 Phase I Long-Term Wheeling Through Assessment Procedures**

The CAISO will coordinate the Phase I Long-Term Wheeling Through Assessment with applicable Participating TO(s) pursuant to Section 3.2 and any Affected System that is affected by the request for long-term priority for Wheeling Throughs pursuant to Section 3.6. Existing studies will be used to the extent practicable when conducting the Phase I Long-Term Wheeling Through Assessment. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO will use Reasonable Efforts to complete and issue to Scheduling Coordinators requesting long-term priority for Wheeling Throughs the Phase I Long-Term Wheeling Through Assessment report within 170 days after the commencement of the Phase I Long-Term Wheeling Through Assessment, provided that the CAISO will use Reasonable Efforts to notify the Scheduling Coordinator whether a transmission upgrade is needed or whether the CAISO can accommodate the request without an upgrade within 120 days of the Cluster Study window closing for requests for a long-term priority for Wheeling Throughs for the following year. In order to meet the 120 day time frame, the Operational Deliverability Assessment described in section 6.2.3 from the previous cluster study will be utilized to study Wheeling Throughs for the following year. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Phase I Long-Term Wheeling Through Assessment report to the requesting Scheduling Coordinator.

At any time the CAISO determines that it will not meet the required time frame for completing the Phase I Long-Term Wheeling Through Assessment due to the large number of requests for long-term priority for Wheeling Throughs in the associated Cluster Application Window, study complexity, or unavailability of subcontractors on a reasonable basis to perform the study in the required time frame, the CAISO will notify the requesting Scheduling Coordinators as to the schedule status of the Phase I Long-Term Wheeling Through Assessment and provide an estimated completion date with an explanation of the reasons why additional time is required.

**4.7 Phase I Long-Term Wheeling Through Results Meeting**

Within thirty (30) calendar days of issuing the Phase I Long-Term Wheeling Through Assessment report to the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, the applicable Participating TO(s), the CAISO and the requesting Scheduling Coordinator will hold a Long-Term Wheeling Through Results Meeting to discuss the results of the Phase I Long-Term Wheeling Through Assessment, including assigned cost responsibility. The CAISO will prepare the minutes from the meetings, and provide the requesting Scheduling Coordinator and the other attendees an opportunity to confirm the accuracy thereof.

Should the requesting Scheduling Coordinator provide written comments on the final Phase I Long-Term Wheeling Through Assessment report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Long-Term Wheeling Through Results Meeting conducted to discuss the report, whichever is sooner, the CAISO will address the written comments in the Phase I Long-Term Wheeling Through Results Meeting. Should the requesting Scheduling Coordinator provide comments at any later time (up to the time of the Long-Term Wheeling Through Results Meeting), then such comments will be considered informal inquiries to which the CAISO will provide informal, informational responses at the Long-Term Wheeling Through Results Meeting, to the extent possible.

The requesting Scheduling Coordinator may submit, in writing, additional comments on the final Phase I Study report up to (3) Business Days following the Long-Term Wheeling Through Results Meeting. Based on any discussion at the Long-Term Wheeling Through Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine whether it is necessary to follow the final Phase I Long-Term Wheeling Through Assessment report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Scheduling Coordinator no later than fifteen (15) Business Days following the Long-Term Wheeling Through Results Meeting.

**4.7.1 In-Service Date**

If Facilities have been identified in the Phase I Long-Term Wheeling Through Assessment, permitting and material procurement lead times may result in the need to alter the proposed start date of the long-term priority for Wheeling Throughs. The Parties may agree to a new start date. Where the parties cannot agree, the start date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Long-Term Wheeling Through Assessment where the changed start date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades, pending the outcome of any relief sought by the Scheduling Coordinator requesting a long-term priority for Wheeling Throughs under this Appendix GG. The Customer must notify the CAISO within five (5) Business Days following the Long-Term Wheeling Through Results Meeting that it is initiating the CAISO ADR Procedures pursuant to Section 13 of the CAISO Tariff.

**4.7.2 Reductions in Capacity**

The Scheduling Coordinator requesting long-term priority for Wheeling Throughs may request to reduce the MW quantity of their long-term priority for Wheeling Throughs, and the CAISO will process the reduction in a manner that is consistent with the 6.7.2 of the GIDAP process.

**Section 5 Activities in Preparation for Phase II Long-Term Wheeling Through Assessment**

**5.1 Overview**

If, after the estimated costs of the identified Upgrades are provided pursuant to the Phase I Long-Term Wheeling Through Assessment under Section 4, the Scheduling Coordinator submitting the request for long-term priority for Wheeling Throughs decides to proceed to the Phase II Long-Term Wheeling Through Assessment, the Scheduling Coordinator will select either Wheeling Through Deliverability option (A) or Wheeling Through Deliverability option (B) and provide Long-Term Wheeling Through Financial Security in accordance with Section 11.

**5.2 The Wheeling Through Deliverability Options**

The Scheduling Coordinator requesting long-term priority for Wheeling Throughs must select one of two options with respect to the Upgrades identified in the Phase I Long-Term Wheeling Through Deliverability Assessment:

* Wheeling Through Deliverability option (A), which means that the requesting Scheduling Coordinator requires TP Deliverability to be able to implement its request. If the requesting Scheduling Coordinator selects Wheeling Through Deliverability option (A), then the requesting Scheduling Coordinator will be required to make an initial posting of Long-Term Wheeling Through Financial Security under Section 11.2.3.2 for the cost responsibility assigned to it in the Phase I Long-Term Wheeling Through Assessment for RNUs and LDNUs; or
* Wheeling Through Deliverability option (B), which means that the requesting Scheduling Coordinator will assume cost responsibility for Delivery Network Upgrades (both ADNUs and LDNUs, to the extent applicable) to the extent that sufficient TP Deliverability is not allocated to the requesting Scheduling Coordinator to provide its requested Deliverability Status. If the requesting Scheduling Coordinator selects Wheeling Through Deliverability option (B), then the requesting Scheduling Coordinator will be required to make an initial posting of Long-Term Wheeling Through Financial Security under Section 11.2.3.2 for the cost responsibility assigned to it in the Phase I Long-Term Wheeling Through Assessment for RNUs, LDNUs, and ADNUs.

**5.3 Postings and Cost Estimates for Network Upgrades**

Notwithstanding the requesting Scheduling Coordinator’s Maximum Cost Responsibility and Maximum Cost Exposure, until such time as the Phase II Long-Term Wheeling Through Assessment report is issued to the requesting Scheduling Coordinator, the allocated costs for Assigned Network Upgrades for each requesting Scheduling Coordinator for RNUs and LDNUs in the Phase I Long-Term Wheeling Through Assessment report will establish the value for

(i) each requesting Scheduling Coordinator’s Current Cost Responsibility; and

(ii) the initial posting of Long-Term Wheeling Through Financial Security required from each requesting Scheduling Coordinator under Section 11.2 for such Network Upgrades.

**5.4 Reassessment Process**

**5.4.1** The CAISO will perform a reassessment of the Phase I Long-Term Wheeling Through Assessment base case prior to the beginning of the GIDAP Phase II Studies. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Phase I Long-Term Wheeling Through Deliverability Assessment of:

(a) Request withdrawals occurring after the completion of the Phase II Long-Term Wheeling Through Assessments for the immediately preceding Queue Cluster;

(b) MW reduction requests from requesting Scheduling Coordinators pursuant to Section 4.7.2 of this Appendix GG;

(c) changes in TP Deliverability allocations or Deliverability Status;

(d) the results of the TP Deliverability allocation from the prior Long-Term Wheeling Through study cycle; and,

(e) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The reassessment will be used to develop the base case for the Phase II Long-Term Wheeling Through Assessment.

**5.4.2** Where, as a consequence of the reassessment, the CAISO determines that changes to the previously identified Network Upgrades in Queue Clusters earlier than the current Long-Term Wheeling Through Study Cycle will cause changes to plans of service set out in executed LTWTSAs, such changes will serve as a basis for amendments to LTWTSAs.

**5.4.3** Such changes to plans of service in Queue Clusters earlier than the current Long-Term Wheeling Through Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Scheduling Coordinators requesting long-term priority for Wheeling Throughs in such earlier Queue Clusters, as follows:

(i) A requesting Scheduling Coordinator will be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 5.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and $1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Phase I and Phase II Long-Term Wheeling Through Assessments or a previous reassessment.

The Maximum Cost Responsibility for a requesting Scheduling Coordinator who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network Upgrades included in the requesting Scheduling Coordinator’s plan of service.

(ii) If a requesting Scheduling Coordinator’s Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO’s system that occurs after the completion of the requesting Scheduling Coordinator’s Phase I and Phase II Long-Term Wheeling Through Assessments and requires additional or expanded Network Upgrades, resulting in an increase in the requesting Scheduling Coordinator’s estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the requesting Scheduling Coordinator’s Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the requesting Scheduling Coordinator’s Phase II Long-Term Wheeling Through Assessment. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the requesting Scheduling Coordinator’s Maximum Cost Responsibility for Network Upgrades will not exceed the Maximum Cost Exposure established by its Phase I and Phase II Long-Term Wheeling Through Assessments.

(iii) To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades, or are otherwise removed, the CAISO will adjust the requesting Scheduling Coordinator’s Maximum Cost Exposure, as applicable.

(iv) To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the requesting Scheduling Coordinator’s Current Cost Responsibility and Maximum Cost Responsibility, as applicable.

(v) The posted Long-Term Wheeling Through Financial Security required of the requesting Scheduling Coordinator for Network Upgrades will be adjusted to correspond to any increase in the requesting Scheduling Coordinator’s Current Cost Responsibility any time after but no later than sixty (60) calendar days after issuance of a reassessment report. The CAISO will notify a requesting Scheduling Coordinator that receives a downward adjustment to its Current Cost Responsibility pursuant to this Section, and the requesting Scheduling Coordinator may choose to adjust its posted Long-Term Wheeling Through Financial Security within sixty (60) calendar days of the issuance of the reassessment report.

**Section 6 The Phase II Long-Term Wheeling Through Assessment**

**6.1 Overview**

The Phase II Long-Term Wheeling Through Assessment from the immediately preceding Queue Cluster will identify whether any Upgrades to the transmission system are needed to accommodate requests for long-term priority for Wheeling Throughs for years one (1) or two (2) and the Transmission Constraints that require such Upgrades.

For Scheduling Coordinators that selected Wheeling Through Deliverability option (A) pursuant to Section 5, the Phase II Long-Term Wheeling Through Assessment will consist of an updated analysis to determine if the Transmission Constraints identified in the Phase I Long-Term Wheeling Through Assessment are no longer binding. If the Phase II Long-Term Wheeling Through Assessment identifies no binding Transmission Constraints for a Scheduling Coordinator’s request for long-term priority for Wheeling Throughs, the CAISO will grant the request after the in-service date of all previously approved Upgrades to the transmission system that were assumed in the study and were needed to accommodate the request. If the study identifies binding Transmission Constraints for a Scheduling Coordinator’s request for long-term priority for Wheeling Throughs, the request will compete with other eligible requests for long-term priority for Wheeling Throughs and behind the identified Area Deliverability Constraints and with eligible Generating Facilities for available Deliverability across the Transmission Constraints by participating in the TP Deliverability allocation process under Section 5.2 and 6.7.

For Scheduling Coordinators that selected Wheeling Through Deliverability option (B) pursuant to Section 6, the Phase II Long-Term Wheeling Through Assessment will identify the Upgrades to the transmission system needed to accommodate their requests for long-term priority for Wheeling Throughs.

**6.2 Scope of the Phase II Long-Term Wheeling Through Deliverability Assessment**

**6.2.1 Purpose**

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Long-Term Wheeling Through Assessment that will incorporate eligible requests for long-term priority for Wheeling Throughs from the previous Phase I Long-Term Wheeling Through Assessment. The Phase II Long-Term Wheeling Through Assessment will:

(i) update, as necessary, analyses performed in the Phase I Long-Term Wheeling Through Assessment to account for the withdrawal of requests for long-term priority for Wheeling Throughs from the current Queue Cluster;

(ii) identify final GRNUs needed in order to achieve the in-service dates for the Upgrades needed to accommodate requests for long-term priority for Wheeling Throughs and provide final cost estimates;

(iii) identify final LDNUs needed to accommodate requests for long-term priority for Wheeling Throughs and provide final cost estimates;

(iv) identify final ADNUs for requesting Scheduling Coordinators selecting Wheeling Through Deliverability option (B), as provided below and provide revised cost estimates;

(v) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the in-service dates for the Upgrades needed to accommodate the requests for long-term priority for Wheeling Throughs;

(vi) update the requesting Scheduling Coordinator’s Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable; and

(vii) provide updated Precursor Network Upgrades needed to achieve the in-service date and Deliverability Status for the Upgrades needed to accommodate the requests for long-term priority for Wheeling Throughs.

The Phase II Long-Term Wheeling Through Assessment report will set forth the applicable cost estimates for Network Upgrades that will be the basis for Long-Term Wheeling Through Financial Security postings under Section 11.3. Where the Maximum Cost Responsibility is based upon the Phase I Long-Term Wheeling Through Assessment (because it is lower) the Phase II Long-Term Wheeling Through Assessment report will recite this fact.

To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades or are otherwise removed, the CAISO will reduce the requesting Scheduling Coordinator’s Maximum Cost Exposure, as applicable. To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the requesting Scheduling Coordinator’s Current Cost Responsibility and Maximum Cost Responsibility.

**6.2.2 Cost Estimation Detail**

With respect to the items detailed in Section 6.2.1, the Phase II Long-Term Wheeling Through Assessment will specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid to implement the conclusions of the updated Phase II Long-Term Wheeling Through technical analyses in accordance with Good Utility Practice. The Phase II Long-Term Wheeling Through Assessment will also identify Network Upgrades necessary to provide the scheduling service for long-term priorities for Wheeling Throughs; and an estimate of the time required to complete the construction and installation of such facilities.

**6.2.3 Operational Deliverability Assessment**

The CAISO will perform an operational partial and interim Deliverability Assessment (operational Deliverability Assessment) as part of the Phase II Long-Term Wheeling Through Assessment. The operational Deliverability Assessment will be performed for each applicable Queue Cluster Group Study group for each applicable study year through the prior year before all of the required Delivery Network Upgrades are in-service. The CAISO will consider operational Deliverability Assessment results stated for the first year in the pertinent annual Net Qualifying Capacity process that the CAISO performs for the next Resource Adequacy Compliance Year. The study results for any other years studied in operational Deliverability Assessment will be advisory and provided to the Scheduling Coordinator requesting long-term priority for Wheeling Throughs for its use only and for informational purposes only.

**6.3 Determining Phase II Network Upgrades**

**6.3.1 Reliability Network Upgrades and Local Delivery Network Upgrades**

RNUs, and LDNUs will be identified on the basis of all Scheduling Coordinators requesting long-term priority for Wheeling Throughs in the current Queue Cluster regardless of whether they have selected Wheeling Through Deliverability option (A) or (B).

**6.3.2 Area Delivery Network Upgrades**

The Phase II Long-Term Wheeling Through Assessment will identify ADNUs for Scheduling Coordinators requesting long-term priority for Wheeling Throughs who have selected Wheeling Through Deliverability option (B). The Deliverability Assessment Base Case for the Phase II Long-Term Wheeling Through Assessment will include requests for Wheeling Through Deliverability option (A) in the current Long-Term Wheeling Through Study Cycle and earlier queued requests that will utilize TP Deliverability in a total amount that fully utilizes but does not exceed the available TP Deliverability.

If the sum of the MW capacity of the Option (A) Generating Facilities under the GIDAP, the earlier-queued Generating Facilities under the GIDAP, and the Upgrades needed to accommodate the requests for long-term priority for Wheeling Throughs under this LTWTP utilizing TP Deliverability in an area is less than or equal to the total TP Deliverability in any electrical area, the Deliverability Assessment Base Case will include all such Option (A) Generating Facilities, earlier-queued Generating Facilities, and requests for long-term priority for Wheeling Throughs in the electrical area.

If the sum of the MW capacity of the Option (A) Generating Facilities under the GIDAP, the earlier-queued Generating Facilities under the GIDAP, and the Upgrades needed to accommodate the requests for long-term priority for Wheeling Throughs under this LTWTP utilizing TP Deliverability in an area exceeds the TP Deliverability in any electrical area, the Deliverability Assessment Base Case will include a representative subset of such Option (A) Generating Facilities, earlier-queued Generating Facilities, and Upgrades that fully utilizes but does not exceed the TP Deliverability.

After the CAISO has modeled the Option (A) Generating Facilities under the GIDAP, as described above, the CAISO will add Option (B) Generating Facilities under the GIDAP and Upgrades needed to accommodate the requests for long-term priority for Wheeling Throughs under this LTWTP to the Deliverability Assessment Base Case. ADNUs that are identified as needed for each electrical area will be assigned to such Option (B) Generating Facilities and Upgrades based upon their flow impacts.

**6.4 Cost Responsibility for Reliability Network Upgrades**

If the Group Study includes both requests for a long-term priority for Wheeling Throughs and generator Interconnection Requests, the cost responsibility for final, non-short-circuit related Reliability Network Upgrades identified in the Phase II Long-Term Wheeling Through Assessment and the Interconnection Study will be assigned to all requests for long-term priority for Wheeling Throughs and all Interconnection Requests in proportion to the maximum megawatt amount of each request. Cost responsibility for final Reliability Network Upgrades identified in the Phase II Long-Term Wheeling Through Assessment will be assigned to Scheduling Coordinators requesting a long-term priority for Wheeling Throughs regardless of whether the Scheduling Coordinator has selected option (A) or (B).

The Maximum Cost Exposure will include the full cost of Reliability Network Upgrades that are Assigned Network Upgrades and Conditionally Assigned Network Upgrades. The CAISO may reduce the Maximum cost Exposure consistent with the discussion herein.

**6.5 Cost Responsibility for Delivery Network Upgrades**

If the Group Study includes both requests for a long-term priority for Wheeling Throughs and generator Interconnection Requests, the cost responsibility for Local Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of the Phase II Long-Term Wheeling Through Assessment and Interconnection Study will be assigned to all requests for long-term priority for Wheeling Throughs and Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status, regardless of whether the requesting Scheduling Coordinator has selected Wheeling Through Deliverability option (A) or (B), based on the flow impact of each such request on each Local Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

If the Group Study includes both requests for a long-term priority for Wheeling Throughs and generator Interconnection Requests, the cost responsibility for Area Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of Phase II Long-Term Wheeling Through Assessment and the Interconnection Study will be assigned to requesting Scheduling Coordinators who have selected Wheeling Through Deliverability option (B) and Interconnection Customers who have accepted option (B) Full Capacity or Partial Capacity Deliverability status based on the flow impact of each request on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

The Current Cost Responsibility provided in the Phase II Long-Term Wheeling Through Assessment will establish the basis for the second Long-Term Wheeling Through Financial Security posting for requesting Scheduling Coordinators selecting Wheeling Through Deliverability option (B).

**6.6 Phase II Long-Term Wheeling Through Assessment Procedures**

The CAISO will coordinate the Phase II Long-Term Wheeling Through Assessment with applicable Participating TO(s) and any Affected System that is affected by the request for long-term priority for Wheeling Throughs pursuant to Section 3.6. Existing studies will be used to the extent practicable when conducting the Phase II Long-Term Wheeling Through Assessment. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO will use Reasonable Efforts to commence the Phase II Long-Term Wheeling Through Assessment by May 1 of each year, and to complete and issue to requesting Scheduling Coordinators the Phase II Long-Term Wheeling Through Assessment report within two hundred and five (205) calendar days after the annual commencement of the Phase II Long-Term Wheeling Through Deliverability Assessment. The CAISO will share applicable study results with the applicable Participating TO(s), for review and comment, and will incorporate comments into the study report. The CAISO will issue a final Phase II Long-Term Wheeling Through Assessment report to the requesting Scheduling Coordinator.

At the request of the Scheduling Coordinator or at any time the CAISO determines that it will not meet the required time frame for completing the Phase II Long-Term Wheeling Through Assessment, the CAISO will notify the requesting Scheduling Coordinator as to the schedule status of the Phase II Long-Term Wheeling Through Assessment and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the CAISO will provide the Scheduling Coordinator all supporting documentation, workpapers, and relevant power flow, short circuit, and stability databases for the Phase II Long-Term Wheeling Through Assessment, subject to confidentiality arrangements under Section 12.1 of this Appendix GG.

**6.6 Results Meeting with the CAISO and Applicable PTO’s**

Within thirty (30) calendar days if providing the Phase II Long-Term Wheeling Study Report to the Scheduling Coordinator requesting a long-term priority for Wheeling Throughs, the applicable Participating TO(s), the CAISO, and the Interconnection shall meet to discuss the results of the Phase II Long-term Decisional Report, including selection of the final Commercial Operation Date.

Should the Interconnection Customer provide written comments on the Phase II Long-Term Wheeling Study Report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the CAISO will address the written comments in the Phase II Long-Term Wheeling Study Report Meeting. Should the Scheduling Coordinator requesting a long-term priority for Wheeling Throughs provide comments at any later time up(up to the time of the Results Meeting, then such comments will be considered informal inquiries to which the CAISO will provide informal, informational responses at the Results Meeting, to the extent possible.

The Scheduling Coordinator requesting a long-term priority for Wheeling Throughs may submit, in writing, additional comments on the Phase II Long-Term Wheeling Study Report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s) will determine whether it is necessary to follow the Phase II Long-Term Wheeling Study Report with a revised study report or an addendum to the report. The CAISO will issue any such revised report or addendum no later than fifteen (15) Business Days following the Results Meeting.

**6.7 Allocation Process for TP Deliverability**

After the Phase II Long-Term Wheeling Through Deliverability Assessment reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) wheeling requests that meet the eligibility criteria set forth in Section 8.9.2 of GIDAP. The TP Deliverability available for allocation will determined from the most recent Transmission Plan. Requests for a long-term priority for Wheeling Through will be eligible for an allocation of remaining TP deliverability after TP deliverability Path 26has all of the Interconnection customers first been allocated to all of the Interconnection customers identified in Section 8.9.2 (A)-(C) of Appendix DD.

**Section 7 Long-Term Wheeling Through Path 26 Assessment**

In addition to the other studies required by this LTWTP, the CAISO will assess the Deliverability of requests for long-term priority for Wheeling Throughs on Path 26 during resource shortage conditions. To perform the assessment, the CAISO will utilize the latest production cost and power flow models and study results from its ten-year Transmission Planning Process to determine if Path 26 would be a binding constraint during summer peak load hours with the eligible requests for long-term priority for Wheeling Throughs included. If Path 26 is identified as a binding constraint then ADNU’s will be identified for LTWT requests selecting Option B. Deliverability will not be allocated across Path 26.

**Section 8 Study Results and Construction Process**

To the extent the Phase II Long-Term Wheeling Through Assessment indicates Upgrades to the transmission system are needed to provide the requested long-term priority for Wheeling Throughs, the study results will provide a description of such Upgrades and their costs. After the CAISO releases the results of the study, or at any other time during the process, the CAISO will have first choice whether to move forward with constructing the identified Upgrades or constructing other transmission facilities as part of a transmission solution to meet either a reliability need, an economic need, or a public policy need, provided such construction satisfies the applicable criteria set forth under the Transmission Planning Process in Section 24 of the CAISO Tariff. If the CAISO chooses to address the request for a long-term priority for Wheeling Throughs as transmission solutions in the comprehensive annual Transmission Plan, the CAISO will return any unspent study deposit and any Financial Security to the Scheduling Coordinator, and the Scheduling Coordinator’s request will no longer continue to be processed under this Appendix GG.

The Scheduling Coordinator whose request for a long-term priority for Wheeling Throughs is being accommodated through a project approved in the CAISO’s comprehensive annual Transmission Plan will execute a Long-Term Wheeling Through Service Agreement under Appendix KK of the CAISO Tariff. The Scheduling Coordinator will pay the applicable Wheeling Access Charge on a monthly basis for the entire term of the long-term priority for Wheeling Throughs on a minimum six (6)-day-by-sixteen (16)-hour basis for all applicable days and hours during the month regardless of the Scheduling Coordinator’s actual scheduled Priority Wheeling Through transactions during that period. The CAISO will credit any monthly payment obligation for Wheeling Access Charges by an OBAALSE for a monthly Wheeling Through Priority obtained under Section 23.4, toward the OBAALSE’s prepayment obligation in this section 36.9.2.1. Such OBAALSE must prepay the difference in accordance with the applicable prepayment timeline herein. Any applicable credit check would be done based on the full value owed, including both the prepayment amount and the amount to be credited. If the term of the long-term priority for Wheeling Throughs is five years or more, the rollover right provisions in Section 23.6 of the CAISO tariff will apply.

Capacity of new transmission facilities approved in the comprehensive annual Transmission Plan not set aside to accommodate requests for a long-term priority for Wheeling Throughs will be set aside for Native Load for the first two years of operation, after which the provisions of Appendix L, Section L.1.3.3 would apply.

If the CAISO chooses not to include the Upgrades identified through the studies under this LTWTP as transmission solutions in the Transmission Plan, the Scheduling Coordinator will have the choice whether to: (i) be responsible for the costs of constructing the Upgrades pursuant to a Long-Term Wheeling Through Service Agreement under Section 9, or (ii) decline to receive the long-term priority for Wheeling Throughs.

If the CAISO determines that it can provide the requested long-term Wheeling Through Priority without needing to construct Upgrades, the Scheduling Coordinator requesting the long-term priority for Wheeling Throughs will execute a LTWTSA under Appendix KK for the term of its request. The Scheduling Coordinator will pay the applicable Wheeling Access Charge on a monthly basis for the entire term of the long-term priority for Wheeling Throughs on a minimum six (6)-day-by-sixteen (16)-hour basis for all applicable days and hours during the month regardless of the Scheduling Coordinator’s actual scheduled Priority Wheeling Through transactions during that period. The CAISO will credit any monthly payment obligation for Wheeling Access Charges by an OBAALSE for a monthly Wheeling Through Priority obtained under Section 23.4, toward the OBAALSE’s prepayment obligation in this section 36.9.2.1. Such OBAALSE must prepay the difference in accordance with the applicable prepayment timeline herein. Any applicable credit check would be done based on the full value owed, including both the prepayment amount and the amount to be credited. If the term of the long-term priority for Wheeling Throughs is five years or more, the rollover right provisions in Section 23.6 of the CAISO tariff will apply.

**Section 9 Long-Term Wheeling Through Service Agreement (LTWTSA) and Long-Term Wheeling Through Upgrade Construction Agreement (LTWTUCA)**

A Scheduling Coordinator that elects to take a long-term Wheeling Through Priority after the study process and to be responsible for the costs of constructing any Upgrades pursuant to the LTWTP will negotiate a with the CAISO and a Long-Term Wheeling Through Upgrade Construction Agreement (LTWTUCA)\_with the CAISO and the Applicable TO. The Scheduling Coordinator shall execute a Long-Term Wheeling Through Service Agreement (LTWTSA) or include its Wheeling Through in an effective LTWTSA irrespective of whether a LTWTUCA is required for effecting its long-term priority Wheeling Throughs.

**9.1 Tender**

The Participating TO will tender a draft LTWTUCA to the CAISO and the Scheduling Coordinator no later than the sum of (i) one hundred eighty (180) calendar days and (ii) the estimated time to construct the Upgrades indicated in the Phase II Long-Term Wheeling Through Deliverability Assessment. The applicable Participating TO may tender the draft LWTUCA any time after the Phase II Long-Term Wheeling Through Deliverability Assessment is issued and before the determined tender date on its own accord or at the request of either the CAISO or the Scheduling Coordinator. The draft LTWTUCA will be in the form of the FERC-approved LTWTUCA set forth in Appendix HH to the CAISO Tariff.

The Participating TO will provide the CAISO with the information required for inclusion in the LWTSA simultaneously with its tender of the draft LTWTUCA. The CAISO will tender a draft LWTSA to the Scheduling Coordinator no later than 30 days after the Participating TO tenders the draft LTWTUCA and requisite information to be included in the LWTSA. and the Scheduling Coordinator shall execute the LTWTSA or include its Wheeling Through in an effective LTWTSA concurrent with the execution of the LTWTUCA. The draft LWTSA will be in the form, set forth in Appendix KK to the CAISO tariff.

**9.2 Completing the LTWTSA and LTWTUCA**

The applicable Participating TO, the CAISO, and the Scheduling Coordinator will attempt to agree on the specific terms of the draft LTWTUCA, and the CAISO and the Scheduling not more than one hundred twenty (120) calendar days after the Participating TO tenders the draft LTWTUCA. If the Scheduling Coordinator determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LTWTUCA. Within seven (7) calendar days of such request, the Scheduling Coordinator will request submission of the unexecuted LTWTUCA with FERC or initiate the CAISO ADR Procedures pursuant to Section 13 of the CAISO Tariff. If the Scheduling Coordinator requests termination but fails to request submission of the unexecuted LTWTUCA or to initiate the CAISO ADR Procedures within seven (7) calendar days, it will be deemed to have withdrawn its request for long-term priority for Wheeling Throughs.

Neither the CAISO nor the Participating TO may declare an impasse until one hundred twenty (120) calendar days after the draft LTWTUCA was tendered. If the CAISO or the Participating TO declares an impasse, that Participating TO or the CAISO will file the LTWTUCA unexecuted with FERC within twenty one (21) calendar days.

Unless otherwise agreed by the parties, if the Scheduling Coordinator has not executed and returned the LTWTUCA, requested filing of an unexecuted LTWTUCA, or initiated the CAISO ADR Procedures within one hundred twenty (120) calendar days after issuance of the draft LTWTSA, it will be deemed to have withdrawn its request for long-term r Wheeling Through Priority.

The CAISO will provide to the Scheduling Coordinator a final LTWTUCA and LTWTSA for execution within ten (10) Business Days after the completion of the negotiation process and receipt of all requested information. The CAISO and Scheduling Coordinator shall ensure that the execution of the LTWTSA occurs concurrent with the execution of the LTWTUCA. .

**9.2.1** Any time after the Phase ll Long-Term Wheeling Through Deliverability Assessment report is issued, if the construction of the Upgrades indicated in the Phase II Long-Term Wheeling Through Deliverability Assessment is not achievable based on the estimated time (i) to construct the Upgrades and (ii) the time needed to negotiate the LTWTSA and the LTWTUCA, the request for long-term priority for Wheeling Throughs will be deemed withdrawn pursuant to Section 3.7.

**9.3 Execution and Filing**

The Scheduling Coordinator will either: (i) execute the appropriate number of originals of the tendered LTWTSA and/or LTWTUCA as specified in the directions provided by the CAISO and return them to the CAISO, as directed, for completion of the execution process; or (ii) request in writing that the applicable Participating TO and CAISO file with FERC a LTWTUCA in unexecuted form. The LTWTSA and the LTWTUCA will be considered executed as of the date that all parties have signed both the LTWTSA and the LTWTUCA. Execution of just one of the agreements does not make that an effective agreement absent execution of the other agreement. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered LTWTSA and the LTWTUCA (if they do not conform with a FERC-approved standard form of LTWTSA and LTWTUCA) or the request to file an unexecuted LTWTUCA , the applicable Participating TO and CAISO will file the LTWTUCA with FERC, as necessary, together with an explanation of any matters as to which the Scheduling Coordinator and the applicable Participating TO or CAISO disagree and support for the costs that the applicable Participating TO proposes to charge the Scheduling Coordinator as reflected under the LTWTUCA. An unexecuted LTWTUCA should contain terms and conditions deemed appropriate by the applicable Participating TO and CAISO for the request for long-term Wheeling Through Priority. If the parties agree to proceed with design, procurement, and construction of Upgrades under the agreed-upon terms of the unexecuted LWTUCA, they may proceed pending FERC action. However, a Participating TO is under no obligation to commence construction of any Upgrades until both the LTWTSA and LTWTUCA are executed.

**Section 10 Payment Obligations and CRR Eligibility**

For the term of each Long-Term Wheeling Through Service Agreement under Appendix KK, the Scheduling Coordinator will pay to the CAISO for the construction of the Upgrades in accordance with the Long-Term Wheeling Through Service Agreement. The charges for the Upgrades will be calculated in accordance with Commission policy. Each month, the Scheduling Coordinator will pay the higher of the applicable monthly WAC charges for each hour of the month or the monthly revenue requirement associated with the Upgrade costs allocated to the Scheduling Coordinator. Cost recovery from a Scheduling Coordinator for the allocated Upgrade costs will be accomplished over the term of the Scheduling Coordinator’s request for a long-term priority for Wheeling Throughs as reflected in the LTWTSA.

The Scheduling Coordinator paying the Upgrades associated with its long-term priority for Wheeling Through will be eligible to receive Wheeling Through Upgrade CRRs pursuant to CAISO Tariff Section 36.12. If the term of the long-term priority for Wheeling Throughs is five years or more, the rollover right provisions in Section 23.6 of the CAISO tariff will apply. If the term of the long-term priority for Wheeling Throughs is five years or more, the rollover right provisions in Section 23.6 of the CAISO tariff will apply.

**Section 11 Long-Term Wheeling Through Financial Security**

**11.1 Types of Long-Term Wheeling Through Financial Security**

The Long-Term Wheeling Through Financial Security posted by a Scheduling Coordinator requesting long-term priority for Wheeling Throughs may be any combination of the following types of Long-Term Wheeling Through Financial Security provided in favor of the applicable Participating TO(s):

(a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody’s;

(b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poors or A2 or better by Moody’s;

(c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poors or A2 or better by Moody’s;

(d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO(s);

(e) a certificate of deposit in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody’s; or

(f) a payment bond certificate in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody’s.

Long-Term Wheeling Through Financial Security instruments as listed above will be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Scheduling Coordinators requesting long-term priority for Wheeling Throughs or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s).

The CAISO will publish and maintain standardized forms related to the types of Long-Term Wheeling Through Financial Security listed above which will be accessible on the CAISO Website. The CAISO will require the use of standardized forms of Long-Term Wheeling Through Financial Security to the greatest extent possible. If at any time the guarantor of the Long-Term Wheeling Through Financial Security fails to maintain the credit rating required by this Section, the Scheduling Coordinator requesting long-term priority for Wheeling Throughs will provide to the applicable Participating TO(s) replacement Long-Term Wheeling Through Financial Security meeting the requirements of this Section within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account under subpart (d) of this Section will accrue to the requesting Scheduling Coordinator’s benefit and will be added to the requesting Scheduling Coordinator’s account on a monthly basis.

**11.2 Long-Term Wheeling Through Financial Security – Initial Posting**

**11.2.1 Posting Requirements**

Each Scheduling Coordinator requesting long-term priority for Wheeling Throughs in a Queue Cluster will post, with notice to the CAISO, Long-Term Wheeling Through Financial Security instruments relating to the applicable Network Upgrades.

**11.2.2** **Timing of Postings**

The postings set forth in this Section 11.2 will be made any time after the issuance of the final Phase I Long-Term Wheeling Through Deliverability Assessment report but no later than ninety (90) calendar days after issuance of the final Phase I Long-Term Wheeling Through Deliverability Assessment report for Scheduling Coordinators requesting long-term priority for Wheeling Throughs in a Queue Cluster.

If the CAISO revises a final Phase I Long-Term Wheeling Through Deliverability Assessment report pursuant to Section 4.6, the initial postings will be due from the requesting Scheduling Coordinator by the later of ninety (90) calendar days after issuance of the original final Phase I Long-Term Wheeling Through Deliverability Assessment report or forty (40) calendar days after issuance of the revised final Phase I Long-Term Wheeling Through Deliverability Assessment report.

**11.2.3 Posting Amount for Network Upgrades**

**11.2.3.1 Initial Posting**

Each Scheduling Coordinator requesting a priority for long-term Wheeling Throughs and selecting Option A will make an initial Financial Security posting equal to fifteen percent (15%) of the Current Cost Responsibility assigned to the Scheduling Coordinator in the final Phase I Wheeling Through Study report for assigned RNUs, LOPNUs, and LDNUs, if any. Each Scheduling Coordinator requesting a priority for long-term Wheeling Throughs and selecting Option B will make an additional Financial Security posting for assigned ADNUs, if any, equal to fifteen percent (15%) of the ADNU costs in the final Phase I Wheeling Through Study report.

**11.2.3.2 Cost Estimates Less than Minimum Posting Amounts**

If the Current Cost Responsibility of the Assigned Network Upgrades are less than the minimum posting amounts set forth in Sections 11.2.3.1 and 11.2.3.2 above, then the posting amount required will be equal to the Current Cost Responsibility of the Assigned Network Upgrades.

**11.2.3 Consequences for Failure to Post**

The failure by a Scheduling Coordinator requesting long-term priority for Wheeling Throughs to timely post the Long-Term Wheeling Through Financial Security required by this Section will result in the Scheduling Coordinator’s request for long-term priority for Wheeling Throughs being deemed withdrawn and subject to Section 3.7. The requesting Scheduling Coordinator will provide the CAISO and the Participating TO with written notice that it has posted the required Long-Term Wheeling Through Financial Security no later than the applicable final day for posting.

**11.2.4 Recalculation of Initial Posting Requirement**

If withdrawals, modifications, or system changes occur after the completion of the Phase I Long-Term Wheeling Through Deliverability Assessment, pursuant to Section 4.7.2, and the CAISO, in consultation with the applicable Participating TO(s), is able to reasonably determine, prior to the date for initial posting of Long-Term Wheeling Through Financial Security, that as a result of such decrease (solely or in combination with other modifications made by Scheduling Coordinators requesting long-term priority for Wheeling Throughs) some of the Network Upgrades identified in the Phase I Long-Term Wheeling Through Deliverability Assessment will no longer be required, then the calculation of the initial posting of Long-Term Wheeling Through Financial Security will not include those Network Upgrades. Such determination will be made based on the CAISO’s best engineering judgment and will not include any re-studies.

**11.3 Long-Term Wheeling Through Financial Security – Second and Third Postings**

**11.3.1 Second Posting**

**11.3.1.1 Posting Requirements**

Each Scheduling Coordinator requesting long-term priority for Wheeling Throughs in a Queue Cluster will make a second posting, with notice to the CAISO, relating to the Network Upgrades. The Current Cost Responsibility for calculating the second and third Long-Term Wheeling Through Financial Security postings for Scheduling Coordinators requesting long-term priority for Wheeling Throughs in Queue Clusters will be set forth in the Phase II Long-Term Wheeling Through Deliverability Assessment report.

**11.3.1.2 Timing of Posting**

The postings set forth in this Section 11.3 for Scheduling Coordinators requesting long-term priority for Wheeling Throughs in a Queue Cluster will be made any time after issuance of the final Phase II Long-Term Wheeling Through Deliverability Assessment report but no later than one hundred eighty (180) calendar days after issuance of the final Phase II Long-Term Wheeling Through Deliverability Assessment report.

If the CAISO revises a final Phase II Long-Term Wheeling Through Deliverability Assessment report pursuant to Section 6.6, the second postings will be due by the later of one hundred-eighty (180) calendar days after issuance of the original final Phase II Interconnection Study report or sixty (60) calendar days after issuance of the revised final Phase II Interconnection Study report.

**11.3.1.3 Network Upgrade Posting Amounts**

**11.3.1.3.1 Second Posting –Option A**

Each Scheduling Coordinator requesting a priority for long-term Wheeling Throughs and selecting Option A will make a second Financial Security posting equal to thirty percent (30%) of the Current Cost Responsibility assigned to the Scheduling Coordinator in the final Phase II Long-Term Wheeling Through Study report for assigned RNUs, LOPNUs, and LDNUs, if any. Each Scheduling Coordinator requesting a priority for long-term Wheeling Throughs and selecting Option B will make an additional Financial Security posting for assigned ADNUs, if any, equal to thirty percent (30%) of the ADNU costs in the final Phase II Long-Term Wheeling Through Study report. However, in no event will the total amount posted be less than $500,000.

**11.3.1.3.3 Cost Estimates Less than Minimum Posting Amounts**

If the Current Cost Responsibility of the Assigned Network Upgrades are less than the minimum posting amounts set forth in Sections 11.3.1.3.1 and 11.3.1.3.2 above, then the posting amount required will be equal to the Current Cost Responsibility of the Assigned Network Upgrades.

**11.3.1.3.4 Posting Related to Requesting Scheduling Coordinator’s Stand Alone Network Upgrades**

If the Scheduling Coordinator requesting long-term priority for Wheeling Throughs desires to self-build Stand Alone Network Upgrades consistent with its study reports, the requesting Scheduling Coordinator must post the Long-Term Wheeling Through Financial Security for the Stand Alone Network Upgrades in its Long-Term Wheeling Through Financial Security posting. The requesting Scheduling Coordinator may request to build the Stand Alone Network Upgrades in the Long-Term Wheeling Through Service Agreement negotiation process, and if the Participating TO and the CAISO agree, the study reports and the second posting will be revised accordingly once the Long-Term Wheeling Through Service Agreement has been fully executed and documents the Stand Alone Network Upgrades. If the Participating TO and the CAISO agree to allow the requesting Scheduling Coordinator to build a Stand Alone Network Upgrade in an executed Long-Term Wheeling Through Service Agreement, the requesting Scheduling Coordinator’s Maximum Cost Responsibility and Maximum Cost Exposure will be reduced by the cost of the Stand Alone Network Upgrade, and both the original and revised Maximum Cost Responsibility and Maximum Cost Exposure will be documented in the Long-Term Wheeling Through Service Agreement.

If at any time the responsibility for constructing the Stand Alone Network Upgrade, or a portion thereof, reverts to the Participating TO, the requesting Scheduling Coordinator will be required to revise its Long-Term Wheeling Through Financial Security posting within thirty (30) calendar days to reflect that the Participating TO will build the Stand Alone Network Upgrade. The requesting Scheduling Coordinator’s Maximum Cost Responsibility and Maximum Cost Exposure also will be revised to reflect that the Participating TO will build the Stand Alone Network Upgrade. Failure to make a timely posting adjustment will result in the withdrawal of the Scheduling Coordinator’s request for long-term priority for Wheeling Throughs in accordance with Section 3.7. If a requesting Scheduling Coordinator has been allowed to reduce its Long-Term Wheeling Through Financial Security posting following the execution of its Long-Term Wheeling Through Service Agreement and subsequently withdraws, the amount of the Long-Term Wheeling Through Financial Security that is determined to be refundable will be reduced by the amount of the Long-Term Wheeling Through Financial Security posting the requesting Scheduling Coordinator avoided through the self-build option.

**11.3.1.5 Consequences for Failure to Post**

The failure by a Scheduling Coordinator requesting long-term priority for Wheeling Throughs to timely post the Long-Term Wheeling Through Financial Security required by this Section will constitute grounds for termination of the requesting Scheduling Coordinator’s Long-Term Wheeling Through Service Agreement.

**11.3.2** **Third Posting**

After the second posting for a Queue Cluster has been made but no later than the start of Construction Activities for Network Upgrades on behalf of the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, whichever is earlier, the requesting Scheduling Coordinator will modify the Long-Term Wheeling Through Financial Security instrument posted pursuant to Section 11.3.1.

**11.3.2.1 Network Upgrades**

With respect to the Financial Security Instrument for Network Upgrades, the Scheduling Coordinator requesting a long-term priority for Wheeling Throughs will modify this Instrument so that it equals one hundred (100) percent of the assigned ADNU costs and the Current Cost Responsibility assigned to the Scheduling Coordinator requesting a long-term Wheeling Through Priority.

A Scheduling Coordinator requesting a long-term priority for Wheeling Throughs whose Option (B) long-term Wheeling Through was not allocated TP Deliverability and elects to have a party other than the applicable Participating TO(s) construct an LDNU or ADNU is not required to make this posting for its cost responsibilities for such LDNU or ADNU. However, such Scheduling Coordinator will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the LDNU or ADNU pursuant to Section 24.4.6.1 of the CAISO Tariff. A Scheduling Coordinator’s election to have a party other than an applicable Participating TO construct an LDNU or ADNU does not relieve the Scheduling Coordinator of the responsibility to fund or construct such LDNU or ADNU. Upon the Scheduling Coordinator’s demonstration to the CAISO that the Scheduling Coordinator has expended the amount of the avoided posting requirement on construction of the LDNU or ADNU described here, the Scheduling Coordinator’s prior posting for these facilities will be returned to the Scheduling Coordinator, unless the Participating TO and Scheduling Coordinator agree to an alternative arrangement.

**11.3.2.2 Failure to Post**

The failure by a Scheduling Coordinator requesting long-term priority for Wheeling Throughs to timely post the Long-Term Wheeling Through Financial Security required by this Section will constitute grounds for termination of the requesting Scheduling Coordinator’s Long-Term Wheeling Through Service Agreement.

**11.3.2.3 Conversion of Conditionally Assigned Network Upgrades**

If at any time the studies for a Scheduling Coordinator requesting long-term priority for Wheeling Throughs are revised to reflect that Conditionally Assigned Network Upgrades have become Assigned Network Upgrades, the requesting Scheduling Coordinator’s Maximum Cost Responsibility, Current Cost Responsibility, Long-Term Wheeling Through Service Agreement, and Long-Term Wheeling Through Financial Security will be revised to reflect the conversion, as applicable.

**11.4 Withdrawal or Termination – Effect on Financial Security**

Withdrawal of a request for long-term priority for Wheeling Throughs or termination of a Long-Term Wheeling Through Service Agreement will allow the applicable Participating TO(s) to liquidate the Long-Term Wheeling Through Financial Security, or balance thereof, posted by the requesting Scheduling Coordinator for Network Upgrades at the time of withdrawal.

To the extent the amount of the liquidated Long-Term Wheeling Through Financial Security plus capital, if any, separately provided by the requesting Scheduling Coordinator to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the requesting Scheduling Coordinator, the applicable Participating TO(s) will remit to the excess amount to the requesting Scheduling Coordinator.

**11.4.1 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades**

**11.4.1.1 Withdrawal Between the First Posting and the Deadline for the Second Posting**

If the Scheduling Coordinator requesting long-term priority for Wheeling Throughs either withdraws its request or terminates its Long-Term Wheeling Through Service Agreement at any time between the initial posting and the deadline for the second posting of the Long-Term Wheeling Through Financial Security for applicable Network Upgrades, then the applicable Participating TO(s) will liquidate the Long-Term Wheeling Through Financial Security for the applicable Network Upgrades and reimburse the requesting Scheduling Coordinator the lesser of:

a. the Long-Term Wheeling Through Financial Security less (all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the requesting Scheduling Coordinator); or

b. the Long-Term Wheeling Through Financial Security minus the lesser of fifty (50) percent of the value of the posted Long-Term Wheeling Through Financial Security for Network Upgrades or $10,000 per requested and approved, pre-downsized megawatt of the long-term Wheeling Through priority.

**11.4.1.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities**

If the Scheduling Coordinator requesting long-term priority for Wheeling Throughs either withdraws or terminates its Long-Term Wheeling Through Service Agreement at any time after the between the second posting of the Long-Term Wheeling Through Financial Security for applicable Network Upgrades and the Commencement of Construction Activities for such Network Upgrades, then the applicable Participating TO(s) will liquidate the Long-Term Wheeling Through Financial Security for the applicable Network Upgrades and reimburse the requesting Scheduling Coordinator the lesser of:

a. the Long-Term Wheeling Through Financial Security less (all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the requesting Scheduling Coordinator) and less (any posting reduction due to the requesting Scheduling Coordinator’s election to self-build Stand Alone Network Upgrades); or

b. the Long-Term Wheeling Through Financial Security minus the lesser of fifty (50) percent of the value of the posted Long-Term Wheeling Through Financial Security for Network Upgrades or $20,000 per requested and approved, pre-downsized megawatt of the long-term Wheeling Through Priority.

**11.4.1.3 Term of Long-Term Wheeling Through Financial Security**

The Participating TO will hold Long-Term Wheeling Through Financial Security for all required Upgrades until the costs of all such upgrades have been paid off and may reduce the Long-Term Wheeling Through Financial Security over time in accordance with the LTWTUCA.

**11.4.1.4 After Commencement of Construction Activities**

Except as otherwise provided in Section 11.4.1.3, once Construction Activities commence on Network Upgrades on behalf of the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, any withdrawal of the request or termination of the Long-Term Wheeling Through Service Agreement by the requesting Scheduling Coordinator will be treated as follows:5

1. The applicable Participating TO(s) will liquidate the Long-Term Wheeling Through Financial Security, or balance thereof, posted by the requesting Scheduling Coordinator for Network Upgrades at the time of withdrawal.

2. To the extent the amount of the liquidated Long-Term Wheeling Through Financial Security separately provided by the requesting Scheduling Coordinator to satisfy its obligation to finance Network Upgrades exceeds the total cost responsibility for Network Upgrades assigned to the requesting Scheduling Coordinator, the applicable Participating TO(s) will remit to the requesting Scheduling Coordinator the excess amount.

**11.4.1.5 Notification to CAISO and Accounting by Applicable Participating TO(s)**

The applicable Participating TO(s) will notify the CAISO within one (1) Business Day of liquidating any Long-Term Wheeling Through Financial Security. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) will provide the CAISO and the Scheduling Coordinator requesting long-term priority for Wheeling Throughs with an accounting of the disposition of the proceeds of the liquidated Long-Term Wheeling Through Financial Security and remit to the CAISO all proceeds not otherwise reimbursed to the requesting Scheduling Coordinator or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the requesting Scheduling Coordinator in accordance with this Section.

**11.5 Adjusting Network Upgrade Postings Following Reassessment Process**

For Scheduling Coordinators requesting long-term priority for Wheeling Throughs that have selected Wheeling Through Deliverability option (B), the most recent reassessment conducted under Section 5.2 in any Long-Term Wheeling Through Study Cycle following the requesting Scheduling Coordinator’s receipt of its Phase II Long-Term Wheeling Through Deliverability Assessment report will provide the most recent cost estimates for the requesting Scheduling Coordinator’s ADNUs and the requesting Scheduling Coordinator will adjust its Long-Term Wheeling Through Financial Security for Network Upgrades to correspond to the most recent estimate for ADNUs.

**Section 12 Miscellaneous**

**12.1 Confidentiality**

For the purposes of this Section 12.1, “Party” or “Parties” will mean the CAISO, the Participating TO(s), the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, or any combination thereof.

“Confidential Information” will include, without limitation, all information relating to a Party’s technology, research and development, business affairs, and pricing.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties will provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party will be responsible for the costs associated with affording confidential treatment to its information.

These confidentiality provisions are limited to information provided pursuant to this LTWTP.

**12.1.1 Scope**

Confidential Information will not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of the Long-Term Wheeling Through Service Agreement; or (6) is required, in accordance with Section 12.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the Long-Term Wheeling Through Procedures. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

**12.1.2 Release of Confidential Information**

No Party will release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by FERC’s Standards of Conduct requirements set forth in Part 358 of FERC’s regulations, 18 C.F.R. Part 358), or to Affected Systems, or to parties who may be or considering providing financing to or equity participation with the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, or to potential purchasers or assignees of the requesting Scheduling Coordinator, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Section.

**12.1.3 Rights**

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information will not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

**12.1.4 No Warranties**

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

**12.1.5 Standard of Care**

Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under these procedures or its regulatory requirements.

**12.1.6 Order of Disclosure**

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party will provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of these confidentiality provisions. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

**12.1.7 Remedies**

Monetary damages are inadequate to compensate a Party for another Party’s breach of its obligations under this Section 12.1. Each Party accordingly agrees that the other Parties will be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this Section 12.1, which equitable relief will be granted without bond or proof of damages, and the receiving Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the breach of this Section 12.1, but will be in addition to all other remedies available at law or in equity. Further, the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 12.1.

**12.1.8 Disclosure to FERC, its Staff, or a State**

Notwithstanding anything in this Section 12.1 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence, the Party will provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other applicable Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. Section 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner, consistent with applicable state rules and regulations.

**12.1.9 Disclosure to Others**

Subject to the exception in Section 12.1.8, any Confidential Information will not be disclosed by the other Parties to any person not employed or retained by the other Parties, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LTWTP or as a transmission service provider or a Balancing Authority including disclosing the Confidential Information to a Regional Transmission Organization or Independent System Operator or to a subregional, regional, or national reliability organization or planning group. The Party asserting confidentiality will notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party’s Confidential Information under this Section, or if any third party or Governmental Authority makes any request or demand for any of the information described in this Section, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

**12.1.10 Information in the Public Domain**

This Section 12.1 will not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this Section 12.1).

**12.1.11 Treatment of Confidential Information No Longer Needed**

The Participating TO or CAISO will, at the election of the Scheduling Coordinator requesting long-term priority for Wheeling Throughs, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

**12.2 Delegation Of Responsibility**

The CAISO and the Participating TOs may use the services of subcontractors as deemed appropriate to perform their obligations under this LTWTP. The applicable Participating TO or CAISO will remain primarily liable to the Scheduling Coordinator requesting long-term priority for the performance of its respective subcontractors and compliance with its obligations of this LTWTP. The subcontractor will keep all information provided confidential and will use such information solely for the performance of such obligation for which it was provided and no other purpose.