

Memorandum

To: ISO Board of Governors

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

Date: October 20, 2011

Re: Briefing on Transmission Maintenance Coordination Committee Activity

This memorandum does not require Board action.

EXECUTIVE SUMMARY

The Transmission Maintenance Coordination Committee (TMCC) met on July 21, 2011 and discussed the following significant topics:

1. Recent TMCC experiences with North American Electric Reliability Corporation reliability standards;
2. CPUC staff proposed General Order for Substation Inspection;
3. CPUC Proposed Rule Changes for Rulemaking R.08-11-005 on fire safety hazards;
4. California Air Resources Board proposed SF₆ regulation requirements;
5. Major grid events; and
6. TMCC advisory status.

The TMCC will meet on October 20, 2011 to decide on the minutes of its July 21, 2011 meeting. Minutes are posted to the meeting pages at <http://www.caiso.com/informed/Pages/BoardCommittees/TransmissionMaintenanceCoordinationCommittee/Default.aspx>

BACKGROUND

In October 1997, FERC directed the ISO Board of Governors to create a Maintenance Coordination Committee to perform the duties set forth in the ISO transmission maintenance standards (Appendix C of the transmission control agreement). In compliance with the order, the Board created an advisory committee entitled the Maintenance Coordination Committee, commonly referred to as the Transmission Maintenance Coordination Committee.

Members include one member representing each participating transmission owner that has transmission facilities subject to the ISO transmission maintenance standards, two members representing organizations representing labor interests, five members representing other organizations, and the ISO vice president responsible for grid operations, or his or her designee, who shall serve as the Chair of the TMCC.

Members of the TMCC shall perform all duties specified in Appendix C to the transmission control agreement, including:

- Convey information to the Board periodically;
- Seek input from other participating transmission owners and interested stakeholders regarding the ISO transmission maintenance standards;
- Review any proposed changes to the ISO transmission maintenance standards submitted by the ISO, a participating transmission owner, or any interested stakeholder, and recommend revisions to the ISO for approval; and
- Recommend amendments and revisions to the ISO transmission maintenance standards to the Board.

SUMMARY OF TMCC RECENT ACTIVITIES

Recent TMCC experiences with NERC reliability standards

Southern California Edison Manager of Transmission/Substation Maintenance and Inspection, Mike Palusso, stated NERC Reliability Standard *PRC-005-2 (Protection System Maintenance and Testing)* comments for the last comment period are scheduled for review on July 26, 2011. Mr. Palusso alerted the Committee that another 10-day comment period would open up in the near future and to be aware so as not to miss the opportunity to comment. The most current issue concerns batteries and recommended quarterly testing. The current status of *PRC-005-2* can be found at:

http://www.nerc.com/filez/standards/Protection_System_Maintenance_Project_2007-17.html

San Diego Gas & Electric Substation Construction & Maintenance Manager, Frank Johnson, indicated NERC Reliability Standard *FAC-003-2 (Vegetation Management)* is still under development with Draft No.5 . The current status of *FAC-003-2* can be found at: http://www.nerc.com/filez/standards/Reliability_Standards_Under_Development.html

CPUC Staff proposed General Order for Substation Inspection

CPUC Senior Utilities Engineer, Ben Brinkman, provided the current status on the development of the *General Order for Substation Inspection*. Mr. Brinkman indicated a new Administrative Law Judge by the name of Douglas Long was assigned to write a proposed decision. Mr. Brinkman indicated that Order Instituting a Rulemaking (OIR) R.10-09-001 to implement this general order should be approved sometime in late 2011 or early 2012.

CPUC Proposed Rule Changes for Rulemaking R.08-11-005 on fire safety hazards

Mr. Brinkman provided the current status of the proposed change to the *State of California General Order 165* regarding the California Consumer Protection Safety Division's activity on facilitating Phase 2 of OIR R.08-11-005 to reduce fire safety hazards in California. The proposed change to General Order 165 for allowing the CPUC to have access to all transmission facility inspection and maintenance records was expected to be implemented in the later part of 2011. The proposed decision was expected to have a vote on July 21, 2011 but was delayed until September of 2011. If approved there could be a Consumer Protection Safety District audit as early as this Fall on approximately 10-15 lines per each major investor owned utility using an audit model similar to the ISO annual review.

California Air Resources Board proposed SF₆ regulation requirements

Los Angeles Department of Water and Power Superintendent of Electrical Station Maintenance Support Services, David Haerle informed the Committee of the current status of State Assembly Bill AB32 that mandates the California Air Resources Board to develop regulations to achieve greenhouse gas emission reductions. Except for Section 95356 (Annual Reporting Requirements), on February 2, 2011, California Air Resources Board's "Regulation for Reducing SF₆ Emissions from Gas Insulated Switchgear" was approved by the Office of Administrative Law. The reporting section was not approved because the reporting deadline was not clear. California Air Resources Board staff revised Section 95356 to clarify that the reporting deadline is June 1 for all gas insulated switchgear equipment owners, and released the revised section for a 15-day public review and comment period. The revised section was finalized and approved by Office of Administrative Law on June 17, 2011.

With the full SF₆ regulation currently in effect, the California Air Resources Board has scheduled a stakeholder working group meeting to discuss any issues or concerns



stakeholders may have regarding implementation of the new regulation. The working group meeting was held on August 23, 2011 in Sacramento from 10 a.m until noon.

Mr. Haerle will send a copy of the final approved SF₆ regulation to the ISO staff for their disbursement to the TMCC members.

Actions to comply with new SF₆ regulation requirements

Starting Feb 2, 2011

- Calibrate scales to weigh SF₆ cylinders (Carts can't be used for scales as not accurate to within the 2 pound requirement);
- Establish and maintain current and complete inventory of SF₆ cylinders and equipment; and
- Provide recordkeeping (changes in SF₆ gas inventory, equipment inventory, average daily nameplate capacity).

January 1, 2012

- Perform annual calibration of scales and inventory of SF₆ gas containers.

June 1, 2012

- Submit Jan - Dec 2011 SF₆ emissions report to California Air Resources Board.
 - a. Include SF₆ emissions (mass balance calculation);
 - b. Provide SF₆ emissions rate (SF₆ emissions / average daily nameplate capacity);
 - c. Provide complete inventory of SF₆ containers; and
 - d. Provide complete inventory of SF₆ equipment.

Current California Air Resources Board status information can be found at:

<http://www.arb.ca.gov/cc/sf6elec/sf6elec.htm>

Mr. Haerle had no information regarding the federal Environmental Protection Agency proposed rule requiring the reporting of SF₆ emissions from containers that are not hermetically sealed other than the initial annual report is due on March 31, 2012. More information and status on the EPA's Mandatory Reporting Rule on Green House Gases can be found at:

<http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>

Major grid events

Pacific Gas & Electric Substation Maintenance and Construction Director, Raj Beasla, indicated they will report back to the Committee during the October 2011 meeting regarding two insulator assembly failures on one of their 500kV lines.

TMCC advisory status

ISO Grid Asset Transmission Asset Engineer, Tom Halford, briefed the Committee on the status of the TMCC becoming an advisory committee to ISO Management versus its current status as an advisory committee to the ISO Board of Governors. Mr. Halford indicated:

- The Board approved the change in advisory status as recommended by the TMCC Committee on July 13, 2011 and also authorized the ISO to submit any necessary filings with the Federal Energy Regulatory Commission; and
- ISO Management developed proposed tariff changes and on July 21, 2011, the ISO issued a market notice requesting written stakeholder comments on the proposed tariff changes and scheduled a stakeholder conference call for August 2, 2011.

No calls came in for the August 2, 2011 stakeholder conference call and ISO management subsequently filed proposed tariff language with FERC on the change in TMCC advisory status on August 19, 2011. On October 18, 2011, FERC issued an order accepting the change effective October 19, 2011.