

BAMX Comments on the Second Proposal of the CAISO To Revise the ISO Transmission Planning

The Bay Area Municipal Transmission group (BAMx)¹ appreciates the opportunity to comment on the second proposed Revision to ISO Transmission Planning Standards Draft Straw Proposal dated May 28, 2014 (Proposal) and the associated June 4, 2014 stakeholder presentation. We request that the CAISO address comments and questions below in its Draft Final Proposal.

Non-consequential load dropping: Category C Contingencies

In this revision, the CAISO has improved its definition of “high density urban areas” by placing filters that would cause it to consider population density, as well as overall population in the local area. The CAISO presents this information in the form of a map of California with the “high density urban areas” identified. While BAMx supports this improved definition that further limits the applicability of this proposed standard, BAMx recommends the following enhancements.

- The text description of “high density urban area” is difficult to apply to a planning study on its own. BAMx requests that:
 1. The map included in the straw proposal also be included in the Planning Standard, and
 2. The standard or associated supporting documents include a list of the currently identified local areas on the CAISO grid and which fall under this definition of “high density urban area”.
- As for the use of non-consequential load dropping for multiple contingencies outside of the “high density urban area,” the document identifies characteristics that will be considered in the decision as to whether to utilize load dropping in the solution. However, there is little guidance as to how a decision would be made. At a minimum, we would hope that more detail on the criteria to be used, based upon the listed elements, to approve a transmission project in areas that are not “high density urban areas.” Also the document is written such that the burden of proof falls on the planner to show that load shedding is viable. BAMx recommends that this perspective be switched to require the planner to show why load shedding under these circumstances in these areas is non-viable.
- Most disappointing with respect to the CAISO’s latest proposal is the rejection of any consideration of cost being part of the criteria. Although it was a common theme by many Stakeholders, any mechanism to account for cost vs. value of a proposed transmission addition to refrain from load dropping was rejected. In its earlier comments BAMx suggested a number of ways to approximate a cost vs. benefit metric, such as using a \$/MW threshold. We are disappointed in the CAISO’s apparent indifference to cost

¹ BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, and City of Santa Clara, Silicon Valley Power.

considerations in its rejection of all suggestions to take cost vs. benefit of not dropping load into account, even in a simplified manner, in its latest proposal.

San Francisco Peninsula Extreme Event Reliability Standard

BAMx still questions both the need and value for this proposed addition to the Planning Standards. The CAISO clearly recognizes its responsibility to study extreme events and the potential for the sustained loss of load. The critical issues are to determine what level of expenditure for transmission is justified to prevent massive extended loss of load for such events and to speed recovery of service. The proposal does little to resolve this question as it only requires consideration without a specific requirement. BAMx applauds the work being completed in this year's planning cycle to address these critical questions for the San Francisco Peninsula but we see no reason for the proposed change to the Planning Standards.

Changes in the NERC Transmission Planning Standards

BAMx appreciates the CAISO clarifying some of the confusing language concerning its interpretation of the NERC standards, but is disappointed in the lack of any progress in this draft of a coherent policy as to where capital expenditures are justified to improve reliability to customers. As we indicated before, such a coherent policy "would include whether to require continuity of service following single or multiple contingencies, whether the interruption was due to consequential or non-consequential action."

BAMx appreciates the opportunity to comment further on the proposed revisions to the CAISO Planning Standards. As delineated above, we recognize the improvements made in the recent draft proposed but encourage the CAISO to address our ongoing concerns.

If you have any questions concerning these comments, please contact Barry Flynn (888-634-7516 and brflynn@flynnrci.com) or Robert Jenkins (888-634-0777 at robertjenkins@flynnrci.com).