

SCE commends the CAISO for taking the next step in the implementation of Order 1920 by developing draft tariff language and vetting with stakeholders. SCE appreciates the opportunity to submit comments on the CAISO's FERC Order 1920 draft tariff compliance language. SCE provides comments in the following sections of the draft tariff language:

Section 24.4.2 – Proposed Reliability Driven Transmission Solutions

SCE recommends this section of the CAISO's draft tariff language be revised to allow PTOs to submit proposed reliability driven transmission solutions through the Phase 2 Request Window within one hundred twenty (120) days after the CAISO posts its preliminary technical study results. The current thirty (30) days is insufficient time to develop an informed scope, schedule and cost estimate for a transmission project, and it will also be infeasible in a post-Order 1920 implementation landscape.

24.11.3.3 – Rightsizing transmission criteria – The current proposed tariff language requiring “measurable benefits across the majority of the seven categories of benefits” may unintentionally disadvantage projects that focus mainly on integrating multiple needs or functions within a single project scope, where most utilities, including SCE are focused on developing integrated transmission plans that address multiple grid needs (e.g. (e.g. reliability, interconnection, infrastructure replacement) to minimize project execution inefficiencies (e.g. working on the same facility year over year rather than a single comprehensive project). Most of the seven categories are heavily weighted toward energy-related benefits, with only one category focused on transmission project efficiency. As a result, these criteria could limit the approval of multi-need transmission projects. As FERC notes, “while this final rule requires the measurement and use of the required set of benefits, it is the evaluation process, including selection criteria, that transmission providers propose on compliance that will inform which Long-Term Regional Transmission Facilities are selected. Transmission providers may propose an evaluation process, including selection criteria, that reflect regional preferences as long as those criteria meet the requirements set forth below in the Evaluation and Selection of Long-Term Regional Transmission Facilities section.”¹

SCE recommends revising this requirement to allow flexibility for projects that demonstrate significant or measurable benefits across multiple categories, rather than a majority, particularly where those benefits address distinct system needs or align with long-term regional planning

Section 24.11.6.1 – Reevaluation Triggering Circumstances and Criteria

Under one of three circumstances, the CAISO proposes to reevaluate Long-Term Regional Transmission Facilities if “the actual or projected costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the selection of the facility by 10% or more.” FERC requires reevaluation of any selected Long-Term Regional Transmission Facilities when “the actual or projected costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the selection of a Long-Term Regional Transmission Facility”², among other situations. SCE would also like to point out that, in their comments submitted on October 2, 2025, in response to the September 18 stakeholder meeting, PG&E raised a concern with the CAISO's proposed 10% cost exceedance factor and requested the CAISO justify its proposal.

¹ FERC Order 1920, par. 734.

² Id., par. 1049.

SCE recommends reevaluation of previously selected transmission facilities when the actual or projected costs of a previously selected facility significantly exceed cost estimates used in the selection of the facility by 50% or more, for a Long-Term Regional Transmission Facility that had an initial cost estimate that exceeded the threshold required for CAISO Board of Governors' approval. Cost estimates for projects to be constructed on a 10-plus years horizon are inherently uncertain, especially in the abbreviated 30-day window to develop a cost estimate under the current CAISO's Tariff. To be clear, the recommendation of a cost exceedance of 50% before a reevaluation is triggered is in conjunction with a 120-day window to develop a cost estimate.

SCE Proposed Redlines and Edits to CAISO's Draft Tariff Language

24.4.2 Proposed Reliability Driven Transmission Solutions

(Existing CAISO Tariff Language) Pursuant to the schedule described in the Business Practice Manual and based on the technical study results, the CAISO, CEC, CPUC, and other interested parties may propose any transmission solutions deemed necessary to ensure System Reliability consistent with Applicable Reliability Criteria and CAISO Planning Standards through the Phase 2 Request Window. Participating TOs will submit such proposed transmission solutions through the Phase 2 Request Window within ~~thirty (30)~~ **one hundred twenty (120)** days after the CAISO posts its preliminary technical study results. The substantive description of reliability driven projects is set forth in Section 24.4.6.2

24.11.3.3 – Rightsizing transmission criteria –

(New CAISO Proposed Tariff Language)

24.11.3.3 Selection Criteria

The CAISO will use selection criteria to guide its determination of whether to select any facilities in the Long-Term Regionally Transmission Planning process for development. The CAISO will perform the evaluation with the aim to ensure that more efficient or cost-effective transmission facilities are selected in the regional transmission plan for purposes of cost allocation and while seeking to maximize benefits accounting for costs over time without over-building transmission facilities. In order for the CAISO to consider a facility for selection the facility must:

- (a) Must have measurable benefits across ~~the majority of the seven multiple~~ categories of benefits in at least one scenario in accordance with section 24.11.2; and
- (b) Must have a BCR of 1.00 or higher in at least one scenario.

The CAISO may select a transmission facility under its Long-Term Regional Transmission Planning process if the facility is net beneficial in more than one Long-Term Scenario and sensitivity analyses even if other transmission facilities have a higher benefit-cost ratio or provide more net benefits in a single Long-Term Scenario or particular sensitivity.

(New CAISO Proposed Tariff Language) Section 24.11.6.1 – Reevaluation Triggering Circumstances and Criteria

24.11.6.1 Reevaluation Triggering Circumstances and Criteria

The CAISO will reevaluate Long-Term Regional Transmission Facilities that were previously selected when one of the following circumstances exists for a specific project:

- (a) delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize the CAISO's ability to meet its reliability needs or reliability-related service obligations;
- (b) the actual or project costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the selection of the facility by ~~10%~~ **50%** or more, for a Long-Term Regional Transmission Facility **that had an initial cost estimate that exceeded the threshold required for CAISO Board of Governors' approval**; or
- (c) significant changes in federal, federally recognized Tribal, state, or local laws or regulations cause reasonable concern that a previously selected facility may no longer meet the selection criteria.